

1 SB285
2 183472-1
3 By Senators Sanford and Bussman
4 RFD: Finance and Taxation General Fund
5 First Read: 09-MAR-17

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8 SYNOPSIS: Under existing law, the Alabama Tax Tribunal
9 has ruled that the lodging tax was intended to
10 apply only to a room or other closed, private area,
11 which a transient uses as a temporary living
12 quarter or abode in which to live and use as
13 sleeping accommodations for a short period.

14 This bill would revise the lodging tax law
15 to specifically provide that the rental of any
16 portion of a hotel, motel, inn, tourist camp,
17 tourist cabin, or any other place in which rooms,
18 lodgings, or accommodations are regularly furnished
19 to transients which is not used as a temporary
20 living quarter or abode in which to live in and use
21 as sleeping accommodations for a short period would
22 not be subject to the lodging tax.

23
24 A BILL
25 TO BE ENTITLED
26 AN ACT
27

1 To amend Section 40-26-1, Code of Alabama 1975,
2 relating to lodging tax; to provide that the rental of any
3 portion of a hotel, motel, inn, tourist camp, tourist cabin,
4 or any other place which is not a part of a room, lodging, or
5 accommodation regularly furnished to a transient would not be
6 subject to the lodging tax.

7 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

8 Section 1. Section 40-26-1, Code of Alabama 1975, is
9 amended to read as follows:

10 "§40-26-1.

11 "(a) There is levied and imposed, in addition to all
12 other taxes of every kind now imposed by law, a privilege or
13 license tax upon every person, firm, or corporation engaging
14 in the business of renting or furnishing any room or rooms,
15 lodging, or accommodations to transients in any hotel, motel,
16 inn, tourist camp, tourist cabin, or any other place in which
17 rooms, lodgings, or accommodations are regularly furnished to
18 transients for a consideration, in any county which is located
19 in the geographic region comprising the Alabama mountain lakes
20 area, those being Blount, Cherokee, Colbert, Cullman, DeKalb,
21 Etowah, Franklin, Jackson, Lauderdale, Lawrence, Limestone,
22 Madison, Marion, Marshall, Morgan, and Winston, in an amount
23 to be determined by the application of the rate of five
24 percent of the charge for such room, rooms, lodgings, or
25 accommodations, including the charge for use or rental of
26 personal property and services furnished in such room, and the
27 rate of four percent of the charge in every other county.

1 There is exempted from the tax levied under this chapter any
2 rentals or services taxed under Division 1 of Article 1 of
3 Chapter 23 of this title.

4 "(b) The tax shall not apply to rooms, lodgings, or
5 accommodations supplied: (i) For a period of 180 continuous
6 days or more in any place; (ii) by camps, conference centers,
7 or similar facilities operated by nonprofit organizations
8 primarily for the benefit of, and in connection with,
9 recreational or educational programs for children, students,
10 or members or guests of other nonprofit organizations during
11 any calendar year; ~~or~~ (iii) by privately operated camps,
12 conference centers, or similar facilities that provide lodging
13 and recreational or educational programs exclusively for the
14 benefit of children, students, or members or guests of
15 nonprofit organizations during any calendar year.

16 "(c) For purposes of subsection (b): "Children"
17 means individuals under age 21; "student" is defined in
18 accordance with 26 U.S.C. § 151(c) (4), as in effect from time
19 to time or by any successor law; "nonprofit organization" is
20 an organization exempt from federal income tax under 26 U.S.C.
21 § 501(c) (3), as in effect from time to time or any successor
22 law; and "privately operated" refers to any camp, conference
23 center, or similar facility other than those operated by a
24 nonprofit organization as herein defined.

25 "(d) The rental of any portion of a hotel, motel,
26 inn, tourist camp, tourist cabin, or any other place in which
27 rooms, lodgings, or accommodations are regularly furnished to

1 transients which is not used as a temporary living quarter or
2 abode in which to live and use as sleeping accommodations for
3 a short period is not subject to the tax levied by this
4 chapter or any other lodging tax levied by law, nor shall the
5 rental of a portion of a facility which is not a room,
6 lodging, or accommodation be considered an amusement or sale
7 under Chapter 23 of this title. This subsection shall
8 specifically apply to convention facilities, banquet halls,
9 and meeting rooms in a facility to which this chapter
10 applies."

11 Section 2. All laws or parts of laws which conflict
12 with this act are repealed.

13 Section 3. This act shall become effective on the
14 first day of the third month following its passage and
15 approval by the Governor, or its otherwise becoming law.