

1 HB267
2 165157-1
3 By Representative Clouse
4 RFD: Ways and Means General Fund
5 First Read: 12-MAR-15

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8 SYNOPSIS: This bill would increase the motor vehicle
9 rental tax from one and one-half percent to four
10 percent.

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12 A BILL
13 TO BE ENTITLED
14 AN ACT

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16 To amend Section 40-12-222, Code of Alabama 1975, to
17 increase the motor vehicle rental tax rate from one and
18 one-half percent to four percent.

19 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

20 Section 1. Section 40-12-222, Code of Alabama 1975,
21 is amended to read as follows:

22 "§40-12-222.

23 (a) In addition to all other taxes now imposed by
24 law, there is hereby levied and shall be collected as herein
25 provided a privilege or license tax on each person engaging or
26 continuing within this state in the business of leasing or
27 renting tangible personal property at the rate of four percent

1 of the gross proceeds derived by the lessor from the lease or
2 rental of tangible personal property; provided, that the said
3 privilege or license tax on each person engaging or continuing
4 within this state in the business of leasing or renting any
5 automotive vehicle or truck trailer, semitrailer or house
6 trailer shall be at the rate of ~~one and one-half~~four percent
7 of the gross proceeds derived by the lessor from the lease or
8 rental of such automotive vehicle or truck trailer,
9 semitrailer or house trailer; provided further, that the tax
10 levied in this article shall not apply to any leasing or
11 rental, as lessor, by the state, or any municipality or county
12 in the state, or any public corporation organized under the
13 laws of the state, including, without limiting the generality
14 of the foregoing, any corporation organized under the
15 provisions of Sections 11-54-80 through 11-54-101; provided
16 further, that the privilege or license tax on each person or
17 firm engaging or continuing within this state in the business
18 of the leasing and rental of linens and garments shall be at
19 the rate of two percent of the gross proceeds derived by the
20 lessor from the lease or rental of such linens and garments.

21 (b) Notwithstanding the above, nothing shall
22 prohibit a lessor subject to a state or local privilege or
23 license tax from passing such amounts on to a lessee by adding
24 such taxes to the leasing price or otherwise, provided,
25 however, that all such amounts passed on to the lessee shall
26 be includable in the gross proceeds derived from the lease of

1 tangible personal property which shall be subject to the
2 privilege or license tax owed by the lessor.

3 Provided, however, the authority to pass on such
4 amounts of the privilege or license tax granted in this
5 subsection shall not apply to the leasing or renting of
6 tangible personal property to the State of Alabama, a
7 municipality, or county in the state, unless the flat amount
8 collected by the lessor includes both the tax and the leasing
9 fee.

10 Section 2. The provisions of this act are severable.
11 If any part of this act is declared invalid or
12 unconstitutional, that declaration shall not affect the part
13 which remains.

14 Section 3. All laws or parts of laws which conflict
15 with this act are hereby repealed.

16 Section 4. This act shall be come effective
17 September 1, 2015, following its passage and approval by the
18 Governor, or its otherwise becoming law.