SB150

EG6I22C-1

By Senator Gudger

RFD: Finance and Taxation General Fund

First Read: 20-Feb-24

SYNOPSIS:

Under current law, a privilege or license tax is levied upon every person, firm, or corporation engaging in the business of renting or furnishing any room or rooms, lodging, or accommodations to transients in any hotel, motel, inn, tourist camp, tourist cabin, or any other place in which rooms, lodgings, or accommodations are regularly furnished to transients for a consideration.

This bill establishes the Alabama Tourism Tax Protection Act of 2024.

This bill would provide that an accommodations intermediary shall collect the tax imposed on the charge for such room, rooms, lodgings, or accommodations, including the charge for use or rental of personal property and services furnished in such room.

This bill would also provide for the definition of an accommodations intermediary, accommodations provider, and room charge, and provides for the transactions in which the tax is due.

A BILL

TO BE ENTITLED

AN ACT

Relating to transient occupancy tax; to establish the Alabama Tourism Tax Protection Act of 2024; to define an accommodations intermediary, accommodations provider, and room charge; and to provide that an accommodations provider intermediary shall collect the tax imposed.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 40-26-1.1 is added to the Code of Alabama 1975, to read as follows:

§40-26-1.1.

(a) This act shall be known and cited as the Alabama Tourism Tax Protection Act of 2024.

(b) For the purposes of this act, the following terms have the following meanings:

(1) ACCOMMODATIONS INTERMEDIARY. Any person, firm, or corporation, other than an accommodations provider, that facilitates renting, furnishing, lodging, or accommodation transactions subject to the tax levied under Section 40-26-1, and charges a room fee, or an accommodations fee to the customer, which it retains as compensation for such facilitation. Facilitating transactions include brokering, coordinating, or in any other way arranging for the purchase of the right to use accommodations via a transaction directly, including via one or more payment processors, between a customer and an accommodations provider.

(2) ACCOMMODATIONS PROVIDER. Any person, firm, or corporation engaging in the business of transactions subject

to the tax levied under Section 40-26-1, which has an active lodgings tax account with the department, and collects and remits lodgings tax on such accommodations that are rented directly by the owner or manager of such accommodation.

(3) ROOM CHARGE. The full retail price paid by the guest for an accommodation, including any accommodations fee and any other fees or charges. This includes the charge for use or rental of personal property and services furnished in the room or accommodation.

(c) Except as provided for in subsection (d), the accommodations intermediary shall collect and remit the tax imposed pursuant to this chapter for the facilitation of lodgings transactions subject to the tax levied under Section 40-26-1 for transactions occurring on or after January 1, 2025. The tax shall be imposed on the room charge as defined in this section.

(d) When an accommodations intermediary facilitates the transaction on behalf of an accommodations provider, as defined in this section, the taxes collected may be remitted to the accommodations provider when there is an executed written agreement or contract specifying the responsible party for remitting such taxes.

(e) An accommodations intermediary collecting and remitting taxes pursuant to subsection (d) shall not be liable for taxes not remitted by the accommodations provider to the Department of Revenue.

(f) In any accommodation in which an accommodations intermediary facilitates the sale of the accommodation, the

accommodations intermediary shall separately state the amount of the tax on the bill, invoice, or similar documentation and shall add the tax to the room charge; thereafter, such tax shall be a debt from the customer to the accommodations intermediary.

(g) Every accommodations intermediary and accommodations provider shall annually submit a report prescribed by the Department of Revenue that includes, the physical address of each accommodation that was rented or furnished greater than 14 days during the previous year and the number of days that each accommodation was rented or furnished during the previous year. The Department of Revenue, not later than 60 days after receipt of such annual report, shall provide this information to tax officers of county governmental agencies pursuant to the exchange of information provisions of Section 40-2A-10.

Section 2. The Department of Revenue shall adopt rules for the implementation and administration of this act.

Section 3. This act shall become effective October 1, 2024.