HB395

EGLT229-1

By Representatives Sorrells, Rehm, Lee, Clouse (N & P)

RFD: Local Legislation

First Read: 02-Apr-24

A BILL

TO BE ENTITLED

AN ACT

Relating to Houston County; authorizing the Houston County Commission to levy a lodging tax in the county; providing for the distribution of the proceeds from the tax; and to provide for a referendum.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. In Houston County, in addition to all other taxes imposed by law, the Houston County Commission may levy a privilege or license tax in the amount prescribed in this section against every person in the county engaging in the business of renting or furnishing a room or rooms, lodging, or accommodations to a transient in a hotel, motel, inn, condominium, house, or another place in which rooms, lodgings, or accommodations are regularly furnished to transients for a consideration. The amount of the tax shall not exceed one percent of the charge for the rooms, lodgings, or accommodations, including the charge for use of rental or personal property and services furnished in the room or rooms within the county.

Section 2. (a) There are exempted from the provisions of the tax levied by this act and from the computation of the

amount of the tax levied or payable all of the following: Charges for property sold or services furnished which are required to be included in the tax levied by the state sales tax act; charges for the rental of rooms, lodgings, or accommodations to a person for a period of 30 continuous days or more; or otherwise pursuant to the exemption provision of Alabama's Transient Occupancy Tax, Section 40-26-1 of the Code of Alabama 1975. A subsequent amendment or change to the Alabama Transient Occupancy Tax shall also have the effect of similarly changing the exemption provision of this section.

(b) Notwithstanding the provisions of this section, the tax shall not apply to the rental of living accommodations which are intended primarily for rental to persons as their principal or permanent place of residence.

Section 3. (a) The tax levied by this act, except as otherwise provided, shall be due and payable to the Department of Revenue on or before the 20th day of the month following the month in which the tax accrues. Notwithstanding any provision of this act providing for the responsibility of the county to collect and administer the tax provided in this act, the county may contract with an agent to perform all or any part of its duties pursuant to this act. On or before the 20th day of each month, every person on whom the tax is levied shall render to the Department of Revenue, on a form prescribed by the department, a true and correct statement showing the gross proceeds of the business subject to the tax for the preceding month, together with other information as the county requires. At the time of making the monthly report,

the taxpayer shall compute and pay to the county the amount of tax shown due. A person subject to the tax who conducts business on a credit basis may defer reporting and paying the tax until after the person has received payment of the items, articles, or accommodations furnished. In the event the taxpayer defers reporting and paying the taxes, he or she shall thereafter include in each monthly report all credit collections made during the preceding month and shall pay the amount of taxes computed thereon at the time of filing the report.

(b) Every person engaged or continuing in a business subject to the tax levied by this act shall keep and preserve suitable records of the gross proceeds of the business and other books or accounts necessary to determine the amount of tax for which he or she is liable pursuant to this act. The records shall be kept and preserved for a period of two years and shall be open for examination at all times by the Department of Revenue or by a duly authorized agent, deputy, or employee of the county.

(c) A person who fails to pay the tax levied by this section within the time required by this act shall pay in addition to the tax a penalty of 10 percent of the amount of tax due, together with interest from the date on which the tax became due and payable at the rate due and payable on the state lodging tax. The penalty and interest shall be assessed and collected as a part of the tax. The Department of Revenue, if good and sufficient reason is shown, may waive or remit the penalty or a portion of the penalty.

Section 4. All provisions of the state lodging tax statutes with respect to payment, assessment, and collection of the state lodging tax, making of reports and keeping and preserving records, interest after due date of tax, or otherwise; the adoption of rules with respect to the state lodging tax; and the administration and enforcement of the state lodging tax statutes, which are not inconsistent with the provisions of this act when applied to the tax levied by this act, shall apply to the levied tax. The Department of Revenue shall have and exercise the same powers, duties, and obligations with respect to the district taxes levied as imposed on the department by the state lodging tax statutes. All provisions of the state lodging tax statutes that are made applicable to this act, to the taxes levied, and to the administration of this act are incorporated herein by reference and made a part as if fully set forth.

Section 5. The Department of Revenue shall charge and deduct from the proceeds of the tax levied an amount equal to the contracted amount for the collections, provided the charge does not exceed five percent of the total amount of tax collected. Following that deduction, the agent shall pay the remainder of the tax proceeds to the county.

Section 6. The net proceeds from the tax levied by this act shall be deposited into the Houston County General Fund and shall be used by the county for economic development purposes and for the funding of recreational facilities in the county.

Section 7. Sections 1 to 6, inclusive, of this act

shall become operative only if approved by a majority of the qualified electors of Houston County who vote in an election to be held on the day of the 2024 General Election. The notice of the election shall be given by the judge of probate, which notice shall be published once a week for three successive weeks before the day of the election, and the election shall be held, conducted, and the results canvassed in the manner as other county elections. The question shall be, "Do you favor the adoption of Act No._____, of the 2024 Regular Session of the Alabama Legislature, which authorizes the Houston County Commission to levy a lodging tax in Houston County with the proceeds earmarked for economic development and funding recreational facilities? Yes ( ) No ( )." The county shall pay any costs and expenses not otherwise reimbursed by a governmental agency which are incidental to the election. If a majority of the votes cast in the election are "Yes," Sections 1 to 6, inclusive, of this act shall become operative immediately. If the majority of the votes are "No," this act shall have no further effect. The Judge of Probate of Houston County shall certify the results of the election to the Secretary of State.

Section 8. This act shall become effective June 1, 2024.