

1 SB323  
2 166858-1  
3 By Senator Sanford  
4 RFD: Finance and Taxation General Fund  
5 First Read: 02-APR-15

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8 SYNOPSIS: Currently under an opinion issued by the  
9 Alabama Department of Revenue, the state lodging  
10 tax is applicable to the rental of a banquet room  
11 or dining facility located within the premises  
12 owned by a person, firm, or corporation for the  
13 purpose of providing rooms, lodgings, or  
14 accommodations to transients.

15 This bill would provide that the rental of  
16 any 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 for or intended to  
20 be used for overnight accommodations would not be  
21 subject to a lodging tax.

22  
23 A BILL  
24 TO BE ENTITLED  
25 AN ACT  
26

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 in which rooms, lodgings, or accommodations  
5 are regularly furnished to transients which is not used for or  
6 intended to be used for overnight accommodations would not be  
7 subject to a lodging tax.

8 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

11           "§40-26-1.

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

1 rate of four percent of the charge in every other county.  
2 There is exempted from the tax levied under this chapter any  
3 rentals or services taxed under Division 1 of Article 1 of  
4 Chapter 23 of this title.

5 "(b) The tax shall not apply to rooms, lodgings, or  
6 accommodations supplied: (i) For a period of 180 continuous  
7 days or more in any place; (ii) by camps, conference centers,  
8 or similar facilities operated by nonprofit organizations  
9 primarily for the benefit of, and in connection with,  
10 recreational or educational programs for children, students,  
11 or members or guests of other nonprofit organizations during  
12 any calendar year; ~~or~~ (iii) by privately operated camps,  
13 conference centers, or similar facilities that provide lodging  
14 and recreational or educational programs exclusively for the  
15 benefit of children, students, or members or guests of  
16 nonprofit organizations during any calendar year; or (iv) to  
17 any portion of a hotel, motel, inn, tourist camp, tourist  
18 cabin, or any other place in which rooms, lodgings, or  
19 accommodations are regularly furnished to transients which is  
20 not used for or intended to be used for overnight  
21 accommodations.

22 "(c) For purposes of subsection (b): "Children"  
23 means individuals under age 21; "student" is defined in  
24 accordance with 26 U.S.C. § 151(c) (4), as in effect from time  
25 to time or by any successor law; "nonprofit organization" is  
26 an organization exempt from federal income tax under 26 U.S.C.  
27 § 501(c) (3), as in effect from time to time or any successor

1 law; and "privately operated" refers to any camp, conference  
2 center, or similar facility other than those operated by a  
3 nonprofit organization as herein defined."

4 Section 2. This act shall become effective on the  
5 first day of the third month following its passage and  
6 approval by the Governor, or its otherwise becoming law.