

1 SB395
2 185723-1
3 By Senator Pittman
4 RFD: Finance and Taxation General Fund
5 First Read: 27-APR-17

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8 SYNOPSIS: This bill would revise the transient
9 occupancy tax law to specifically exempt the rental
10 of any room that is not intended or otherwise
11 suitable for an overnight stay for sleeping
12 purposes if the charges are separately stated on
13 the invoice and used as a meeting place for any
14 conference, seminar or other activity. Such rentals
15 are also exempted from the amusement tax.

16
17 A BILL
18 TO BE ENTITLED
19 AN ACT

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21 To amend Section 40-26-1, Code of Alabama 1975,
22 relating to transient occupancy tax; to provide that the
23 rental of any portion of a hotel, motel, inn, tourist camp,
24 tourist cabin, or any other place in which rooms, lodgings, or
25 accommodations are regularly furnished to transients which is
26 used as a meeting place for any conference, seminar, or other
27 activity not intended or otherwise suitable for an overnight

1 stay for sleeping purposes is exempt from transient occupancy
2 tax.

3 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

4 Section 1. Section 40-26-1, Code of Alabama 1975, is
5 10 amended to read as follows:

6 "§40-26-1.

7 "(a) There is levied and imposed, in addition to all
8 other taxes of every kind now imposed by law, a privilege or
9 license tax upon every person, firm, or corporation engaging
10 in the business of renting or furnishing any room or rooms,
11 lodging, or accommodations to transients in any hotel, motel,
12 inn, tourist camp, tourist cabin, or any other place in which
13 rooms, lodgings, or accommodations are regularly furnished to
14 transients for a consideration, in any county which is located
15 in the geographic region comprising the Alabama mountain lakes
16 area, those being Blount, Cherokee, Colbert, Cullman, DeKalb,
17 Etowah, Franklin, Jackson, Lauderdale, Lawrence, Limestone,
18 Madison, Marion, Marshall, Morgan, and Winston, in an amount
19 to be determined by the application of the rate of five
20 percent of the charge for such room, rooms, lodgings, or
21 accommodations, including the charge for use or rental of
22 personal property and services furnished in such room, and the
23 rate of four percent of the charge in every other county.
24 There is exempted from the tax levied under this chapter any
25 rentals or services taxed under Division 1 of Article 1 of
26 Chapter 23 of this title.

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

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

22 "(d) The rental of rooms, lodgings, or
23 accommodations that are neither intended nor suitable for
24 overnight sleeping purposes are exempt from the tax levied
25 hereunder if the charges for this rental are separately stated
26 and the accommodations are used exclusively as a meeting room
27 for any conference, seminar, club meeting, private party or

1 similar type activity. Rentals exempted hereunder are also
2 exempted from the tax levied by Chapter 23 of Title 40.
3 However, any admissions fees for an event offered to the
4 public held in such accommodations or any tangible personal
5 property sold at retail in such accommodations shall continue
6 to be subject to the applicable tax as levied in Chapter 23 of
7 Title 40."

8 Section 2. All laws or parts of laws which conflict
9 with this act are hereby repealed.

10 Section 3. This act shall become effective on the
11 first day of the third month following its passage and
12 approval by the Governor, or upon its otherwise becoming law.