

HB372 ENROLLED



1 HB372
2 PUVQEEE-2
3 By Representatives Ingram, Starnes, Stubbs (N & P)
4 RFD: Local Legislation
5 First Read: 27-Feb-25



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Enrolled, An Act,

Relating to Elmore County; to levy a county rental tax and provide for the calculation of the rate; and to provide for the distribution of the proceeds collected from the tax.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. This act shall only apply to Elmore County.

Section 2. (a) In addition to all other taxes, beginning September 1, 2025, there is levied a privilege tax, to be called a rental tax, on each person leasing or renting tangible personal property as provided by this section.

(b) The Revenue Commissioner of Elmore County shall calculate the rates for the tax levied by this section using the formulas as provided in subsection (c) rounded to the nearest one tenth of a percent and shall publish notice of the rates by August 1, 2025.

(c) (1) a. The rate for each incorporated area of the county, including any police jurisdictions, shall be equal to the difference of the following:

1. Nine and one-half percent;

LESS

2. The lesser of the following:

(i) The general state rental tax rate levied pursuant to Section 40-12-222(a)(1), Code of Alabama 1975; or

(ii) Four percent;

LESS

3. The applicable general rental or lease tax rate levied on the rental of tangible personal property by a



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municipality in the incorporated area or police jurisdiction.

b. If the calculation from paragraph a. results in a negative number, no county rental tax shall be levied by this section.

(2) The rate for unincorporated areas of the county, not to include any police jurisdictions, shall be an amount equal to the greater of:

a. Five and one-half percent; or

b. The difference of the following:

1. Nine and one-half percent;

LESS

2. The lesser of the following:

(i) The general state rental tax rate levied pursuant to Section 40-12-222(a)(1), Code of Alabama 1975; or

(ii) Four percent.

(d) Upon any change in the rates referenced in subsection (c) that are used to calculate the county rental tax rate, the revenue commissioner shall recalculate the county rental tax rates in subsection (c) and publish notice of the new rate adjustment.

(e) The county commission shall certify by resolution the county rental tax rates levied by this section, including any recalculations provided by subsection (d).

(f) (1) Except as provided in subdivision (2), the tax levied by this section shall parallel the tax imposed by Article 4 of Chapter 12 of Title 40, Code of Alabama 1975. This tax shall apply to the same persons and transactions to which that tax applies.



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57 (2) Notwithstanding subdivision (1), the rental or
58 lease of a motor vehicle that is required to be registered
59 pursuant to Article 5 of Chapter 12 of Title 40 is exempt from
60 this act.

61 (g) The county commission shall provide for the
62 collection and administration of this tax by resolution.

63 (h) (1) The proceeds of this tax shall be deposited into
64 the Enhance Elmore Fund.

65 (2) The county commission shall appropriate the
66 proceeds of this tax as follows:

67 a. Ninety percent for infrastructure.

68 b. Ten percent for economic development.

69 Section 3. This act shall become effective on June 1,
70 2025.



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Speaker of the House of Representatives

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in and
was passed by the House 09-Apr-25, as amended.

John Treadwell
Clerk

Senate

07-May-25

Amended and Passed

House

07-May-25

Concurred in Senate
Amendment