

1 SB125
2 181012-2
3 By Senator Melson
4 RFD: Finance and Taxation Education
5 First Read: 09-FEB-17

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8 SYNOPSIS: This bill defines the term transient as used
9 in Chapter 26 of Title 40 and would clarify the
10 exemption provided to real estate agreements that
11 create leaseholds in real property.

12
13 A BILL
14 TO BE ENTITLED
15 AN ACT

16
17 To amend Section 40-26-1, Code of Alabama 1975,
18 relating to transient occupancy tax; to define transient; to
19 clarify the exemption provided to real estate agreements that
20 create leaseholds in real property.

21 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

24 "§40-26-1.

25 "(a) There is levied and imposed, in addition to all
26 other taxes of every kind now imposed by law, a privilege or
27 license tax upon every person, ~~firm, or corporation~~ or

1 company, as defined in Section 40-23-1, Code of Alabama 1975,
2 engaging in the business of renting or furnishing any room or
3 rooms, lodging, or accommodations to transients ~~in~~ for any
4 hotel, motel, inn, tourist camp, tourist cabin, or any other
5 place in which rooms, lodgings, or accommodations are
6 regularly furnished to transients for a consideration, in any
7 county which is located in the geographic region comprising
8 the Alabama mountain lakes area, those being Blount, Cherokee,
9 Colbert, Cullman, DeKalb, Etowah, Franklin, Jackson,
10 Lauderdale, Lawrence, Limestone, Madison, Marion, Marshall,
11 Morgan, and Winston, in an amount to be determined by the
12 application of the rate of five percent of the charge for such
13 room, rooms, lodgings, or accommodations, including the charge
14 for use or rental of personal property and services furnished
15 in such room, and the rate of four percent of the charge in
16 every other county. The term transient, as used in this
17 section, shall mean any person or company to whom one or more
18 room or rooms, meeting rooms, lodgings, living quarters, or
19 sleeping or housekeeping accommodations, or other
20 accommodations are rented or furnished. There is exempted from
21 the tax levied under this chapter any rentals or services
22 taxed under Division 1 of Article 1 of Chapter 23 of this
23 title.

24 " (b) The tax shall not apply to rooms, lodgings, or
25 accommodations supplied: (i) For a period of 180 continuous
26 days or more in any place; (ii) by camps, conference centers,
27 or similar facilities operated by nonprofit organizations

1 primarily for the benefit of, and in connection with,
2 recreational or educational programs for children, students,
3 or members or guests of other nonprofit organizations during
4 any calendar year; or (iii) by privately operated camps,
5 conference centers, or similar facilities that provide lodging
6 and recreational or educational programs exclusively for the
7 benefit of children, students, or members or guests of
8 nonprofit organizations during any calendar year; (iv)
9 pursuant to a residential real estate agreement that creates a
10 leasehold in real property as covered under Chapter 9A of
11 Title 35.

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

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

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