

HB477 INTRODUCED



1 QLZV44-1
2 By Representative Rehm (N & P)
3 RFD: Local Legislation
4 First Read: 16-May-23
5 2023 Regular Session



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A BILL
TO BE ENTITLED
AN ACT

Relating to Henry County; authorizing the Henry 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 Henry County, in addition to all other taxes imposed by law, the Henry 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 four 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



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

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

43 Section 3. (a) The tax levied by this act, except as
44 otherwise provided, shall be due and payable to the Department
45 of Revenue on or before the 20th day of the month next
46 succeeding the month in which the tax accrues. Notwithstanding
47 any provision of this act providing for the responsibility of
48 the county to collect and administer the tax provided in this
49 act, the county may contract with an agent to perform all or
50 any part of its duties pursuant to this act. On or before the
51 20th day of each month, every person on whom the tax is levied
52 by this act shall render to the Department of Revenue, on a
53 form prescribed by the department, a true and correct
54 statement showing the gross proceeds of the business subject
55 to the tax for the then preceding month, together with other
56 information as the county requires. At the time of making the



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

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

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



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

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

107 Section 6. The net proceeds from the tax levied by this
108 act shall be deposited into the Henry County General Fund and
109 shall be used by the county for economic development purposes
110 and for the promotion of tourism.

111 Section 7. Sections 1 to 6, inclusive, of this act
112 shall become operative only if approved by a majority of the



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113 qualified electors of Henry County who vote in an election to
114 be held on the day designated by the Judge of Probate of Henry
115 County. The notice of the election shall be given by the judge
116 of probate, which notice shall be published once a week for
117 three successive weeks before the day of the election, and the
118 election shall be held, conducted, and the results canvassed
119 in the manner as other county elections. The election shall be
120 held in conjunction with the next regularly scheduled state or
121 local election to be held in the county. The question shall
122 be, "Do you favor the adoption of Act No. _____, of the 2023
123 Regular Session of the Alabama Legislature, which authorizes
124 the Henry County Commission to levy a lodging tax in Henry
125 County with the proceeds earmarked for economic development
126 and promotion of tourism? Yes () No ()." The county shall
127 pay any costs and expenses not otherwise reimbursed by a
128 governmental agency which are incidental to the election. If a
129 majority of the votes cast in the election are "Yes," Sections
130 1 to 6, inclusive, of this act shall become operative
131 immediately. If the majority of the votes are "No," this act
132 shall have no further effect. The Judge of Probate of Henry
133 County shall certify the results of the election to the
134 Secretary of State.

135 Section 8. This act shall become effective immediately
136 following its passage and approval by the Governor, or its
137 otherwise becoming law.