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SYNOPSIS:

Under current law, a privilege or license tax is levied upon every person, firm, or corporation engaging in the business of renting or furnishing any room or rooms, lodging, or accommodations to transients in any hotel, motel, inn, tourist camp, tourist cabin, or any other place in which rooms, lodgings, or accommodations are regularly furnished to transients for a consideration.

This bill establishes the Alabama Tourism Tax Protection Act of 2024.

This bill would provide that an accommodations intermediary shall collect the tax imposed on the charge for such room, rooms, lodgings, or accommodations, including the charge for use or rental of personal property and services furnished in such room.

This bill would also provide for the definition of an accommodations intermediary, accommodations provider, and room charge, and provides for the transactions in which the tax is due.

A BILL  
TO BE ENTITLED



29 AN ACT

30  
31 Relating to transient occupancy tax; to establish the  
32 Alabama Tourism Tax Protection Act of 2024; to define an  
33 accommodations intermediary, accommodations provider, and room  
34 charge; and to provide that an accommodations provider  
35 intermediary shall collect the tax imposed.

36 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

37 Section 1. Section 40-26-1.1 is added to the Code of  
38 Alabama 1975, to read as follows:

39 §40-26-1.1.

40 (a) This act shall be known and cited as the Alabama  
41 Tourism Tax Protection Act of 2024.

42 (b) For the purposes of this act, the following terms  
43 have the following meanings:

44 (1) ACCOMMODATIONS INTERMEDIARY. Any person, firm, or  
45 corporation, other than an accommodations provider, that  
46 facilitates renting, furnishing, lodging, or accommodation  
47 transactions subject to the tax levied under Section 40-26-1  
48 and charges a room fee or an accommodations fee to the  
49 customer, which it retains as compensation for such  
50 facilitation. Facilitating transactions include brokering,  
51 coordinating, or in any other way arranging for the purchase  
52 of the right to use accommodations via a transaction directly,  
53 including via one or more payment processors, between a  
54 customer and an accommodations provider.

55 (2) ACCOMMODATIONS PROVIDER. Any person, firm, or  
56 corporation engaging in the business of transactions subject



57 to the tax levied under Section 40-26-1 that has an active  
58 lodgings tax account with the department and collects and  
59 remits lodgings tax on such accommodations that are rented  
60 directly by the owner of such accommodation.

61 (3) HOTEL. Any public lodging establishment that is  
62 owned by a single entity or person; contains 15 or more  
63 individual sleeping room accommodations; offers rental units  
64 with daily or weekly rates; has a central office on the  
65 property with specified hours of operation; has a bathroom for  
66 each rental unit; is recognized as a hotel in the community in  
67 which it is situated; and possesses a permit from the Alabama  
68 Department of Public Health to operate as a hotel.

69 (4) MERCHANT OF RECORD. The legally authorized and  
70 responsible entity that processes customer payments for the  
71 sale of goods or services within the state of Alabama.

72 (5) PROFESSIONAL PROPERTY MANAGEMENT COMPANY. A  
73 licensed real estate brokerage firm with a physical storefront  
74 location authorized and licensed under Section 34-27-30 to  
75 engage in the business of property management services on  
76 behalf of property owners.

77 (6) ROOM CHARGE. The full retail price paid by the  
78 guest for an accommodation, including any accommodations fee  
79 and any other fees or charges. This includes the charge for  
80 use or rental of personal property and services furnished in  
81 the room or accommodation.

82 (c) Except as provided for in subsection (d), the  
83 accommodations intermediary shall collect and remit the tax  
84 imposed pursuant to this chapter for the facilitation of



85 lodgings transactions subject to the tax levied under Section  
86 40-26-1, and parallel local levies, for transactions occurring  
87 on or after January 1, 2025. The tax shall be imposed on the  
88 room charge as defined in this section.

89 (d) When an accommodations intermediary facilitates the  
90 transaction on behalf of an accommodations provider as defined  
91 in this section, the taxes collected may be remitted to the  
92 accommodations provider when there is an executed written  
93 agreement or contract specifying the responsible party for  
94 remitting such taxes.

95 (e) An accommodations intermediary collecting and  
96 remitting taxes pursuant to subsection (d) shall not be liable  
97 for taxes not remitted by the accommodations provider to the  
98 Department of Revenue.

99 (f) In any accommodation in which an accommodations  
100 intermediary facilitates the sale of the accommodation, the  
101 accommodations intermediary shall separately state the amount  
102 of the tax on the bill, invoice, or similar documentation and  
103 shall add the tax to the room charge; thereafter, such tax  
104 shall be a debt from the customer to the accommodations  
105 intermediary.

106 (g) Every accommodations intermediary and  
107 accommodations provider shall annually submit a report  
108 prescribed by the Department of Revenue that includes the  
109 physical address of each accommodation that was rented or  
110 furnished greater than 14 days during the previous year. The  
111 report provided herein is confidential taxpayer information  
112 protected under Section 40-2A-10.



113 (h) The following entities shall be exempt from the  
114 provisions of Section 1 of this act:

115 (1) Professional property management companies that  
116 either collect and remit the tax levied pursuant Section  
117 40-26-1, or manage properties leased for a month or more as  
118 the principal residence of the tenant.

119 (2) Hotels that collect and remit the tax levied  
120 pursuant to Section 40-26-1.

121 (3) A destination marketing organization whose primary  
122 purpose is the promotion of tourism and receives funding from  
123 taxes collected and remitted pursuant to Section 40-26-1.

124 (4) Providers of accommodations defined under  
125 subsection (d) of 40-26-1, that collect and remit the tax  
126 levied pursuant to Section 40-26-1.

127 Section 2. For any accommodations transactions, subject  
128 to the tax levied in Section 40-26-1, through an  
129 accommodations intermediary where the accommodations provider  
130 has hired a professional property management company to  
131 oversee, the professional property management company shall be  
132 the merchant of record for such transactions.

133 Section 3. The Department of Revenue shall adopt rules  
134 for the implementation and administration of this act.

135 Section 4. This act shall become effective October 1,  
136 2024.