



**JULIE P. MAGEE**  
Commissioner

# State of Alabama Department of Revenue

(www.revenue.alabama.gov)  
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**MICHAEL E. MASON**  
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Deputy Commissioner

**CURTIS E. STEWART**  
Deputy Commissioner

November 18, 2014

**TO: ALL PERSONS, FIRMS, AND CORPORATIONS** engaged in the business of renting or furnishing rooms, lodging, or accommodations to transients in Alabama.

The Department of Revenue is constantly striving to educate business owners of state laws in order to make sure they are in compliance with the law. It is the goal of the department to provide clarification so business owners will know and understand what is required of them. It is our hope that sending a reminder about some frequently asked questions concerning Lodgings Tax might clear up some misunderstandings and unwelcome audit findings.

The Code of Alabama 1975, Section 40-26-1 mandates that the Lodgings Tax shall be collected by all persons engaged in the business of renting or furnishing rooms or other accommodations in any hotel, motel, rooming house, apartment house, lodge, inn, tourist cabin, tourist court, tourist home, camp, trailer court, marina, convention center, or any other place where rooms, apartments, cabins, sleeping accommodations, mobile home accommodations, recreational trailer parking accommodations, boat docking accommodations, or other accommodations are made available to travelers, tourists, or other transients.

This includes any private home, cabin, or room that might temporarily be rented out to a motorist, transient or traveler for a short period of time.

Notable exceptions to this law and where no tax is due are the two situations shown below:

1. Camps, conference centers, or similar facilities operated by nonprofit organizations primarily for the benefit of, and in connection with, recreational or educational programs for children, students, or members or guests of other nonprofit organizations during any calendar year; or
2. Privately operated camps, conference centers, or similar facilities that provide lodging and recreational or educational programs exclusively for the benefit of children, students, or members or guests of nonprofit organizations during any calendar year.

A second point we would like to emphasize has to do with continuous stays. Some people may be under the impression that the tax for continuous stays can be waived if the transients state they are staying 180 continuous days. Since the day the law went into place in 2001, the rule states that the transients (renters) will be assessed unless their stay equals 180 CONTINUOUS days. If the transients check in and out over the weekend, for example, the tax is owed even if

their overall residency equals 180 days. Collect the tax upon check in and should the transients meet 180 days of continuous rental, the tax can be refunded after they actually meet that milestone.

Additionally, Government employees should be charged Lodgings Tax when making the purchase using a form of payment not provided by the government, such as a credit card in their own name upon which they will use for payment and file for reimbursement from their employer.

If you have any questions about this notice or any other matter relating to Alabama's Lodgings Tax, please contact our office for clarification at 334-242-1490. We have expanded the amount of information about Lodgings Tax on our website. Please take the time to visit the page below and familiarize yourself with the obligations regarding Lodging Tax collections. The URL is <http://revenue.alabama.gov/salestax/Rules/810-6-5-.13.pdf>

Thank you for your time and attention to this matter.

Sincerely,

A handwritten signature in cursive script that reads "Julie P. Magee". The signature is written in black ink and is positioned above the typed name and title.

Julie P. Magee  
Commissioner of Revenue