



This Week in State Tax (TWIST)

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Alabama: Accommodation Intermediary Legislation Enacted

Alabama has enacted legislation (Senate Bill 150) that requires accommodations intermediaries to collect state and local transient occupancy taxes effective January 1, 2025. An “accommodations intermediary” is defined as “any person, firm, or corporation, other than an accommodations provider,” that facilitates renting, furnishing, lodging, or accommodation transactions subject to the transient occupancy tax and charges a room fee or an accommodations fee to the customer, which it retains as compensation for such facilitation.” “Facilitating transactions” includes brokering, coordinating, or in any other way arranging for the purchase of the right to use accommodations via a transaction directly, including via one or more payment processors, between a customer and an accommodations provider. Under the bill, an accommodations intermediary must collect on taxes on the “room charge,” which is the full retail price paid by the guest for an accommodation, including any accommodations fee and any other fees or charges. This includes the charge for use or rental of personal property and services furnished in the room or accommodation. When an accommodations intermediary facilitates the transaction on behalf of an accommodations provider, the taxes collected may be remitted to the accommodations provider when there is an executed written agreement or contract specifying the responsible party for remitting such taxes. In any accommodation in which an accommodations intermediary facilitates the sale of the accommodation, the accommodations intermediary must separately state the amount of the tax on the bill, invoice, or similar documentation. The bill provides that certain entities will be exempt from the provisions in the bill including, but not limited to, hotels that collect and remit the transient occupancy tax, and certain providers of accommodations in campers and RVs. The bill also requires annual reporting. Specifically, every accommodations intermediary and accommodations provider (including property management companies that collect and remit the accommodations tax and hotels) must annually submit a report prescribed by the Department of Revenue that includes the physical address of each accommodation that was rented or furnished greater than 14 days during the previous year. Please contact [Sarah McGahan](#) with questions.

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