

**Ordinance # 22-003 TAX ON LEASING OR RENTING OF TANGIBLE PERSONAL
PROPERTY**

AN ORDINANCE TO AMEND THE RENTAL OR LEASING TAX RATE

**BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF COOSADA, ALABAMA, AS
FOLLOWS:**

Section 1. Definitions.

The following words, terms, and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Business means all activities engaged in, or caused to be engaged in, with the object of gain, profit, benefit, or advantage, either direct or indirect.

Gross proceeds means the value proceeding or accruing from the leasing or rental of tangible personal property, without any deduction on account of the cost of the property so leased or rented, the cost of materials used, labor or service cost, interest paid or any other expense whatsoever, and without any deduction on account of loss, and shall also include, on the part of any person claiming exemption under Code of Ala. 1975, § 40-12-223(4), an amount equal to the rental paid on any tangible personal property acquired under such exemption and thereafter to the use of such person.

Leasing or renting means a transaction whereunder the person who owns or controls the possession of tangible personal property permits another person to have the possession or use thereof for a consideration and for the duration of a definite or indefinite period of time without transfer of the title to such property. The detention by the user thereof of freight cars, oxygen and acetylene tanks and similar property, in respect of which detention a demurrage or per diem charge is made against the user of such property, shall not be deemed to constitute a transaction whereunder property is leased or rented to another within the meaning of this article.

Person means any natural person, firm, partnership, association, corporation, receiver, trust, estate or other entity, or any other group or combination of any thereof acting as a unit, and the plural as well as the singular number, unless the intention to give a more limited meaning is disclosed by the context.

Tangible personal property means personal property which may be seen, weighed, measured, felt, or touched, or is in any other manner perceptible to the senses. The term "tangible personal property" shall not include stocks, bonds, notes, insurance or other contracts or securities.

Town means the Town of Coosada, Alabama.

Section 2. License required.

If any person shall engage in or continue in any business for which a privilege tax is imposed as a condition precedent to engaging or continuing in such business, he shall apply for and obtain from the town a license to engage in and to conduct such business for the current tax year upon the condition that he shall pay the taxes accruing to the town under the provisions of this article; provided that no license shall be issued under the provisions of this article to any person who has not complied with the provisions of this article, and no provision of this article shall be construed as relieving any person from the payment of any license or privilege tax now or hereafter imposed by law.

Section 3. Applicability of lease/rental tax.

The taxes levied by Article VI of this chapter shall be subject to all definitions, exceptions, exemptions, proceedings, requirements, rules, regulations, provisions, discounts, penalties, fines, punishments, and deductions that are applicable to the state lodging tax statutes, including all provisions of the state lodging tax statutes for enforcement and collection of use taxes, with the exception of the rate of such tax which shall be determined from time to time by the town council.

Section 4. Levy and amount of tax

There is hereby levied and imposed, in addition to all other taxes now imposed by law, a privilege or license tax upon each person engaging or continuing in this city in the business of **leasing or renting tangible personal property** at the rate of **four (4) percent** of the gross proceeds derived by the lessor from the lease or rental of tangible personal property; provided, that the said privilege or license tax on each person engaging or continuing in this city in the business of **leasing or renting any automotive vehicle or truck trailer, semitrailer or house trailer** shall be at the rate of **four (4) percent** of the gross proceeds derived by the lessor from the lease or rental of such automotive vehicle or truck trailer, semitrailer or house trailer; provided further, that the tax levied in this article shall not apply to any leasing or rental, as lessor, by the State of Alabama, or any municipality or county in the State of Alabama, or any public corporation organized under the laws of the State of Alabama, or any public corporation organized under the laws of the State of Alabama, including without limiting the generality of the foregoing, any corporation organized under the provisions of Sections 11-54-80 through 11-54-101 of the Code of Alabama 1975; provided further, that the privilege or license tax on each person engaging or continuing in this city in the business of **the leasing and rental of linens and garments** shall be at the rate of **four (4) percent** of the gross proceeds derived by the lessor from the lease or rental of such linens and garments.

Section 5. Levy of tax in police jurisdiction.

There is hereby levied and imposed, in addition to all other taxes of every kind now imposed by law, a privilege or license tax upon each person engaging or continuing in the business or businesses of the corporate limits of the town, but within its police jurisdiction, at one-half the rates specified.

Section 6. Exemptions.

There are exempted from the provisions of this article and from the computation of the amount of the tax levied, assessed, or payable under this article the gross proceeds derived by the lessor from the lease or rental of tangible personal property:

- (1) Which are exempted from taxation under the provisions of Code of Ala. 1975, § 40-12-4, entitled "Tax on Leasing or Renting Tangible Personal Property," and all acts supplemental thereto, except where inapplicable or where herein otherwise provided; and
- (2) Pursuant to leases or rental contracts in effect before the effective date of the ordinance from which this article is derived, provided that the exemption hereby afforded shall not apply to any renewal or extension of such leases or contracts.

Section 7. Administration; collection of tax.

The provisions of this article shall be administered and the tax levied shall be collected in accordance with the procedures set forth in article III of this chapter, pertaining to sales tax, for administering and collecting the tax therein levied, and "The Rules and Regulations for Collection of Taxes" adopted by the town.

Section 8. Disposition of proceeds of tax.

The proceeds derived from the rental tax herein levied shall be placed in the general fund of the town subject to appropriation by the town council for any lawful purpose of the town.

Section 9. Reserved.

Section 1: Effective Date

This ordinance shall become effective on the first day of September 2022, and the first payment of taxes hereunder shall be due and payable on the twentieth day of October 2022. This ordinance shall remain in full force and effect and shall apply to each month of the year 2022, beginning with the month of September and to each month of each calendar year thereafter from year to year.

ADOPTED AND APPROVED by the Town Council of the Town of Coosada, Alabama this 12th day of April 2022.



James P. Houston, Mayor

Attest: 

Breyona McCall, Town Clerk