

1 SB21  
2 41459-6  
3 By Senators Butler, Figures, Denton, Smitherman, Preuitt,  
4 Means, and Little (Z)  
5 RFD: Rules  
6 First Read: 28-AUG-2001

**ACT No. 2001-975**



Enrolled, An Act,

Relating to the promotion and development of the film industry in Alabama; to amend Sections 40-23-4 and 40-23-62, Code of Alabama 1975, relating to sales and use taxes; to amend Section 40-26-1, Code of Alabama 1975, relating to lodgings taxes; to further provide for the application of the lodging tax under certain conditions; to provide exemptions to sales and use taxes for certain approved costs in the film industry in Alabama; to provide an exemption to the lodgings tax of an approved film project; to provide a specific tax incentive program designed exclusively to induce the motion picture industry to produce films in Alabama; to provide requirements for qualifying for the industry specific incentives offered and available to the motion picture industry; and to authorize the Alabama Film Office to process and approve applications for the incentive programs offered by this act; to authorize the Department of Revenue to promulgate rules and regulations regarding the administration of this act and to provide for a sunset provision for these tax incentives.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. The following is hereby found and declared by the Legislature of Alabama:

1           (1) Although Alabama is filled with attractive  
2 natural resources, a viable workforce, and other resources  
3 attractive to the film making industry, Alabama has not  
4 developed its potential in terms of attracting the production  
5 of motion pictures to the state by offering production  
6 incentives.

7           (2) Film production incentives offered by other  
8 states attract large film making projects which stimulate the  
9 local economy, use local manpower thus offering employment  
10 opportunities for state residents, and provide public  
11 awareness of the natural resources available in the state.

12           (3) Because Alabama does not offer viable incentive  
13 packages to motion picture production companies, it does not  
14 actively compete with other states for motion picture projects  
15 and those projects locate elsewhere.

16           (4) The Alabama Film Office and Alabama Film Task  
17 Force have studied and recommended to the Governor and the  
18 citizens of this state that industry specific production  
19 incentives are immediately necessary for Alabama to compete  
20 nationally for the location and production of large film  
21 projects and to build a growing film industry in Alabama.

22           (5) The Alabama Film Office is uniquely qualified to  
23 establish a procedure for a production company to apply for  
24 approval for a film project in Alabama wherein the office  
25 would receive, process, and approve the application as a

1 qualified project to apply to the Department of Revenue for  
2 certain industry specific tax incentives related to standard  
3 approved costs of the project.

4 (6) The Legislature recognizes and confirms the  
5 planning and promotion of the film industry is of viable  
6 importance to the economic development of the state just as  
7 the recruitment, expansion, and retention of industrial  
8 development within the state and the promotion of the film  
9 industry shall be included as a part of any comprehensive  
10 economic development strategy plan promoted by the state and  
11 state agencies.

12 Section 2. For purposes of this act, the following  
13 terms shall have the following meanings:

14 (1) AGREEMENT. A written agreement entered into  
15 between the Alabama Film Office, or its agent, and an approved  
16 production company with respect to a film project.

17 (2) APPROVED COMPANY. A company or those directly  
18 involved in production decisions for an organization certified  
19 by the Alabama Film Office as approved to produce a film  
20 project in Alabama primarily using available state resources.

21 (3) APPROVED COSTS. Expenses of an approved company  
22 that are precleared by the Alabama Film Office as those costs  
23 directly related to and essential to the production of an  
24 approved film project, which may include any or all of the  
25 following:

1           a. The cost of acquiring real property or rights in  
2 real property in connection with an approved film project and  
3 any costs incidental thereto, including the materials for  
4 construction, equipping, and installation of necessities for  
5 the location of a film project.

6           b. The cost of acquiring vehicles, equipment,  
7 supplies, props, and other necessities for the film project.

8           c. The costs required to replace, restore, recycle,  
9 or return to the owner equipment, props, and other property,  
10 including real property, that was used or altered in the  
11 process of the film project.

12           d. The costs required for the installation of  
13 utilities in connection with a film project, including, but  
14 not limited to, water, sewer, sewage treatment, gas,  
15 electricity, and communications, and including off-site  
16 construction of utility extensions paid for by the approved  
17 company.

18           e. Any other costs deemed unique and essential by  
19 the Alabama Film Office for the approved film project.

20           (4) APPROVED PROJECT. An Alabama film production to  
21 be undertaken by an approved company using Alabama resources  
22 to the extent possible.

23           (5) DEPARTMENT. The Alabama Department of Revenue.

24           (6) FILM. Includes, but is not limited to, in film  
25 or digital form, the following types of production: motion

1 picture, videography, music video, and televisions (all of  
2 which may be for commercial or non-commercial exploitation and  
3 distribution), and commercial advertising for television that  
4 is intended to promote specific products, brands, ideas, or  
5 positions, as well as ancillary services to the above named  
6 productions such as music for the production and animation  
7 added to the production are included. Film does not include  
8 productions not intended for public distribution or viewing,  
9 such as family or personal productions, recurring news, or  
10 current events shows, nor does it include the staging of music  
11 concerts to which tickets are sold and where a music video may  
12 be filmed as an ancillary activity to the staging of the  
13 concert.

14 (7) FINAL APPROVAL. The action taken by the  
15 Department of Revenue authorizing an approved company to have  
16 the tax incentives provided in this act.

17 (8) INCENTIVES. Tax exemptions and inducements  
18 provided in this act to an approved company in the film  
19 industry.

20 (9) OFFICE. The Alabama Film Office.

21 Section 3. (a) The Alabama Film Office shall  
22 establish a procedure and qualification standards, based upon  
23 industry standards and competition with other states and  
24 locations, for a company to apply for approval for each film  
25 project to qualify for any of the incentives provided by this

1 act. The office may certify a company as an approved company  
2 and authorize the undertaking of a project by entering a  
3 written agreement with the company regarding the project. The  
4 agreement with the office and an approved company for a  
5 project and the approval of certain costs by the office shall  
6 be required for the Department of Revenue to consider it for  
7 the incentives offered by this act.

8 (b) With respect to each company applying and each  
9 project described in the application, the office shall make  
10 inquiries and request materials of the applicant that shall  
11 include, but shall not be limited to, marketing plans for the  
12 project; a description and desired location of the project;  
13 capital and other anticipated expenditures for the project  
14 that indicate the total cost of the project and the sources of  
15 funding therefor; the anticipated employment and wages to be  
16 paid to employees and contractors for the project; plans which  
17 indicate the approximate number of days in a year in which the  
18 project will be in operation; and the anticipated revenues and  
19 expenses generated by the project.

20 (c) The office shall analyze the application data  
21 supplied and collect and analyze additional information as  
22 necessary to determine that the project complies with all of  
23 the following:

24 1. It shall have a significant and positive economic  
25 impact on the state.

1                   2. It shall produce sufficient revenues and public  
2 demand to cover the costs of production in Alabama.

3                   3. It shall utilize to the extent reasonable under  
4 the circumstances, Alabama resources, including, but not  
5 limited to, employees, contractors, equipment, materials, and  
6 supplies.

7                   4. The film project will further the purposes of  
8 this act.

9                   (d) The agreement between the office and the company  
10 shall not be a binding contract of the State of Alabama  
11 agreeing to make provisions for the company, including  
12 incentives. The agreement may contain language regarding the  
13 expectation of the parties in regard to a specifically  
14 identified project.

15                  Section 4. The department shall establish standards  
16 for final approval of the tax incentives provided by this act  
17 by the promulgation of administrative regulations in  
18 accordance with the Alabama Administrative Procedure Act.  
19 Included in the regulations shall be a method for the office,  
20 on behalf of the approved company or project, to appeal the  
21 department's denial of the incentives.

22                  Section 5. (a) Upon granting an approved company  
23 final approval for the tax incentives provided by this act,  
24 the Department of Revenue shall provide the approved company



1 with forms and instructions necessary to claim those  
2 incentives.

3 (b) The department may require proof of qualified  
4 expenditures if the approved company claims a refund on  
5 expenditures of approved costs.

6 (c) No tax refund shall be issued for any approved  
7 costs claimed after the expiration of two years from the date  
8 the project is completed.

9 (d) The department may obtain any information  
10 necessary from the approved company and the office to verify  
11 that the approved company has received the proper amounts of  
12 incentives authorized by this act.

13 (e) The department shall demand the repayment of any  
14 incentives in excess of that allowed by this act.

15 (f) Any approved company receiving the benefits  
16 contained in this act that has failed to comply with the  
17 conditions for the incentives, shall be disqualified from  
18 receiving future benefits and upon audit shall be liable for  
19 payment of additional tax liability as may be due, plus  
20 interest.

21 (g) If the department or office determines that an  
22 approved company no longer qualifies to receive the benefits  
23 of this act, it shall notify the company immediately and the  
24 company shall not receive further benefits under this act.

(h) By April 1 of each year, the department shall certify to the Governor the total amount of the tax incentives issued pursuant to this act during the preceding calendar year.

Section 6. Sections 40-23-4 and 40-23-62, Code of Alabama 1975, are amended to read as follows:

"§40-23-4.

"(a) There are exempted from the provisions of this division and from the computation of the amount of the tax levied, assessed, or payable under this division the following:

"(1) The gross proceeds of the sales of lubricating oil and gasoline as defined in Sections 40-17-30 and 40-17-170 and the gross proceeds from those sales of lubricating oil destined for out-of-state use which are transacted in a manner whereby an out-of-state purchaser takes delivery of such oil at a distributor's plant within this state and transports it out-of-state, which are otherwise taxed.

"(2) The gross proceeds of the sale, or sales, of fertilizer when used for agricultural purposes. The word "fertilizer" shall not be construed to include cottonseed meal, when not in combination with other materials.

"(3) The gross proceeds of the sale, or sales, of seeds for planting purposes and baby chicks and poults. Nothing herein shall be construed to exempt or exclude from

1 the computation of the tax levied, assessed, or payable, the  
2 gross proceeds of the sale or sales of plants, seedlings,  
3 nursery stock, or floral products.

4 "(4) The gross proceeds of sales of insecticides and  
5 fungicides when used for agricultural purposes or when used by  
6 persons properly permitted by the Department of Agriculture  
7 and Industries or any applicable local or state governmental  
8 authority for structural pest control work and feed for  
9 livestock and poultry, but not including prepared food for  
10 dogs and cats.

11 "(5) The gross proceeds of sales of all livestock by  
12 whomsoever sold, and also the gross proceeds of poultry and  
13 other products of the farm, dairy, grove, or garden, when in  
14 the original state of production or condition of preparation  
15 for sale, when such sale or sales are made by the producer or  
16 members of his immediate family or for him by those employed  
17 by him to assist in the production thereof. Nothing herein  
18 shall be construed to exempt or exclude from the measure or  
19 computation of the tax levied, assessed, or payable hereunder,  
20 the gross proceeds of sales of poultry or poultry products  
21 when not products of the farm.

22 "(6) Cottonseed meal exchanged for cottonseed at or  
23 by cotton gins.

24 "(7) The gross receipts from the business on which,  
25 or for engaging in which, a license or privilege tax is levied

1 by or under the provisions of Sections 40-21-50, 40-21-53 and  
 2 40-21-56 through 40-21-60; provided, that nothing contained in  
 3 this subdivision shall be construed to exempt or relieve the  
 4 person or persons operating the business enumerated in said  
 5 sections from the payments of the tax levied by this division  
 6 upon or measured by the gross proceeds of sales of any  
 7 tangible personal property, except gas and water, the gross  
 8 receipts from the sale of which are the measure of the tax  
 9 levied by said Section 40-21-50, merchandise or other tangible  
 10 commodities sold at retail by said persons, unless the gross  
 11 proceeds of sale thereof are otherwise specifically exempted  
 12 by the provisions of this division.

13 "(8) The gross proceeds of sales or gross receipts  
 14 of or by any person, firm, or corporation, from the sale of  
 15 transportation, gas, water, or electricity, of the kinds and  
 16 natures, the rates and charges for which, when sold by public  
 17 utilities, are customarily fixed and determined by the Public  
 18 Service Commission of Alabama or like regulatory bodies.

19 "(9) The gross proceeds of the sale, or sales of  
 20 wood residue, coal, or coke to manufacturers, electric power  
 21 companies, and transportation companies for use or consumption  
 22 in the production of by-products, or the generation of heat or  
 23 power used in manufacturing tangible personal property for  
 24 sale, for the generation of electric power or energy for use  
 25 in manufacturing tangible personal property for sale or for

1 resale, or for the generation of motive power for  
2 transportation.

3 "(10) The gross proceeds from the sale or sales of  
4 fuel and supplies for use or consumption aboard ships,  
5 vessels, towing vessels, or barges, or drilling ships, rigs or  
6 barges, or seismic or geophysical vessels, or other watercraft  
7 (herein for purposes of this exemption being referred to as  
8 "vessels") engaged in foreign or international commerce or in  
9 interstate commerce; provided, that nothing in this division  
10 shall be construed to exempt or exclude from the measure of  
11 the tax herein levied the gross proceeds of sale or sales of  
12 material and supplies to any person for use in fulfilling a  
13 contract for the painting, repair, or reconditioning of  
14 vessels, barges, ships, other watercraft, and commercial  
15 fishing vessels of over five tons load displacement as  
16 registered with the U.S. Coast Guard and licensed by the State  
17 of Alabama Department of Conservation and Natural Resources.

18 For purposes of this subdivision, it shall be  
19 presumed that vessels engaged in the transportation of cargo  
20 between ports in the State of Alabama and ports in foreign  
21 countries or possessions or territories of the United States  
22 or between ports in the State of Alabama and ports in other  
23 states are engaged in foreign or international commerce or  
24 interstate commerce, as the case may be. For the purposes of  
25 this subdivision, the engaging in foreign or international

1 commerce or interstate commerce shall not require that the  
2 vessel involved deliver cargo to or receive cargo from a port  
3 in the State of Alabama. For purposes of this subdivision,  
4 vessels carrying passengers for hire, and no cargo, between  
5 ports in the State of Alabama and ports in foreign countries  
6 or possessions or territories of the United States or between  
7 ports in the State of Alabama and ports in other states shall  
8 be engaged in foreign or international commerce or interstate  
9 commerce, as the case may be, if, and only if, both of the  
10 following conditions are met: (i) the vessel in question is a  
11 vessel of at least 100 gross tons; and (ii) the vessel in  
12 question has an unexpired certificate of inspection issued by  
13 the United States Coast Guard or by the proper authority of a  
14 foreign country for a foreign vessel, which certificate is  
15 recognized as acceptable under the laws of the United States.  
16 Vessels which are engaged in foreign or international commerce  
17 or interstate commerce shall be deemed for the purposes of  
18 this subdivision to remain in such commerce while awaiting or  
19 under repair in a port of the State of Alabama if such vessel  
20 returns after such repairs are completed to engaging in  
21 foreign or international commerce or interstate commerce. For  
22 purposes of this subdivision, seismic or geophysical vessels  
23 which are engaged either in seismic or geophysical tests or  
24 evaluations exclusively in offshore federal waters or in  
25 traveling to or from conducting such tests or evaluations

1 shall be deemed to be engaged in international or foreign  
2 commerce. For purposes of this subdivision, proof that fuel  
3 and supplies purchased are for use or consumption aboard  
4 vessels engaged in foreign or international commerce or in  
5 interstate commerce may be accomplished by the merchant or  
6 seller securing the duly signed certificate of the vessel  
7 owner, operator, or captain or their respective agent on a  
8 form prescribed by the department that the fuel and supplies  
9 purchased are for use or consumption aboard vessels engaged in  
10 foreign or international commerce or in interstate commerce.  
11 Any person filing a false certificate shall be guilty of a  
12 misdemeanor and upon conviction shall be fined not less than  
13 \$25 nor more than \$500 for each offense. Each false  
14 certificate filed shall constitute a separate offense. Any  
15 person filing a false certificate shall be liable to the  
16 department for all taxes imposed by this division upon the  
17 merchant or seller, together with any interest or penalties  
18 thereon, by reason of the sale or sales of fuel and supplies  
19 applicable to such false certificate. If a merchant or seller  
20 of fuel and supplies secures the certificate herein mentioned,  
21 properly completed, such merchant or seller shall not be  
22 liable for the taxes imposed by this division, if such  
23 merchant or seller had no knowledge that such certificate was  
24 false when it was filed with such merchant or seller.

1           "(11) The gross proceeds of sales of tangible  
2 personal property to the State of Alabama, to the counties  
3 within the state and to incorporated municipalities of the  
4 State of Alabama.

5           "(12) The gross proceeds of the sale or sales of  
6 railroad cars, vessels, barges, and commercial fishing vessels  
7 of over five tons load displacement as registered with the  
8 U.S. Coast Guard and licensed by the State of Alabama  
9 Department of Conservation and Natural Resources, when sold by  
10 the manufacturers or builders thereof.

11           "(13) The gross proceeds of the sale or sales of  
12 materials, equipment, and machinery which, at any time, enter  
13 into and become a component part of ships, vessels, towing  
14 vessels or barges, or drilling ships, rigs or barges, or  
15 seismic or geophysical vessels, other watercraft and  
16 commercial fishing vessels of over five tons load displacement  
17 as registered with the U.S. Coast Guard and licensed by the  
18 State of Alabama Department of Conservation and Natural  
19 Resources.

20           "(14) The gross proceeds of the sale or sales of  
21 fuel oil purchased as fuel for kiln use in manufacturing  
22 establishments.

23           "(15) The gross proceeds of the sale or sales of  
24 tangible personal property to county and city school boards,  
25 independent school boards, and all educational institutions



1 and agencies of the State of Alabama, the counties within the  
2 state, or any incorporated municipalities of the State of  
3 Alabama.

4 "(16) The gross proceeds from the sale of all  
5 devices or facilities, and all identifiable components  
6 thereof, or materials for use therein, acquired primarily for  
7 the control, reduction, or elimination of air or water  
8 pollution and the gross proceeds from the sale of all  
9 identifiable components of or materials used or intended for  
10 use in structures built primarily for the control, reduction,  
11 or elimination of air and water pollution.

12 "(17) The gross proceeds of sales of tangible  
13 personal property or the gross receipts of any business which  
14 the state is prohibited from taxing under the Constitution or  
15 laws of the United States or under the Constitution of this  
16 state.

17 "(18) When dealers or distributors use parts taken  
18 from stocks owned by them in making repairs without charge for  
19 such parts to the owner of the property repaired pursuant to  
20 warranty agreements entered into by manufacturers, such use  
21 shall not constitute taxable sales to the manufacturers,  
22 distributors, or to the dealers, under this division or under  
23 any county sales tax law.

24 "(19) The gross proceeds received from the sale or  
25 furnishing of food, including potato chips, candy, fruit and

1 similar items, soft drinks, tobacco products, and stationery  
2 and other similar or related articles by hospital canteens  
3 operated by Alabama state hospitals at Bryce Hospital and  
4 Partlow State School for Mental Deficients at Tuscaloosa,  
5 Alabama, and Searcy Hospital at Mt. Vernon, Alabama, for the  
6 benefit of the patients therein.

7           "(20) The gross proceeds of the sale, or sales, of  
8 wrapping paper and other wrapping materials when used in  
9 preparing poultry or poultry products for delivery, shipment,  
10 or sale by the producer, processor, packer, or seller of such  
11 poultry or poultry products, including pallets used in  
12 shipping poultry and egg products, paper or other materials  
13 used for lining boxes or other containers in which poultry or  
14 poultry products are packed together with any other materials  
15 placed in such containers for the delivery, shipment, or sale  
16 of poultry or poultry products.

17           "(21) The gross proceeds of the sales of all  
18 antibiotics, hormones and hormone preparations, drugs,  
19 medicines or medications, vitamins, minerals or other  
20 nutrients, and all other feed ingredients including  
21 concentrates, supplements, and other feed ingredients when  
22 such substances are used as ingredients in mixing and  
23 preparing feed for fish raised to be sold on a commercial  
24 basis, livestock, and poultry. Such exemption herein granted  
25 shall be in addition to exemptions now provided by law for

1 feed for fish raised to be sold on a commercial basis,  
2 livestock, and poultry, but not including prepared foods for  
3 dogs or cats.

4 "(22) The gross proceeds of the sale, or sales, of  
5 seedlings, plants, shoots, and slips which are to be used for  
6 planting vegetable gardens or truck farms and other  
7 agricultural purposes. Nothing herein shall be construed to  
8 exempt, or exclude from the computation of the tax levied,  
9 assessed, or payable, the gross proceeds of the sale, or the  
10 use of plants, seedlings, shoots, slips, nursery stock, and  
11 floral products, except as hereinabove exempted.

12 "(23) The gross proceeds of the sale, or sales, of  
13 fabricated steel tube sections, when produced and fabricated  
14 in this state by any person, firm, or corporation for any  
15 vehicular tunnel for highway vehicular traffic, when sold by  
16 the manufacturer or fabricator thereof, and also the gross  
17 proceeds of the sale, or sales, of steel which enters into and  
18 becomes a component part of such fabricated steel tube  
19 sections of said tunnel.

20 "(24) The gross proceeds from sales of admissions to  
21 any theatrical production, symphonic or other orchestral  
22 concert, ballet, or opera production when such concert or  
23 production is presented by any society, association, guild, or  
24 workshop group, organized within this state, whose members or  
25 some of whose members regularly and actively participate in

1 such concerts or productions for the purposes of providing a  
 2 creative outlet for the cultural and educational interests of  
 3 such members, and of promoting such interests for the  
 4 betterment of the community by presenting such productions to  
 5 the general public for an admission charge. The employment of  
 6 a paid director or conductor to assist in any such  
 7 presentation described in this subdivision shall not be  
 8 construed to prohibit the exemptions herein provided.

9           "(25) The gross proceeds of sales of herbicides for  
 10 agricultural uses by whomsoever sold. The term "herbicides,"  
 11 as used in this subdivision, means any substance or mixture of  
 12 substances intended to prevent, destroy, repel, or retard the  
 13 growth of weeds or plants. It shall include preemergence  
 14 herbicides, postemergence herbicides, lay-by herbicides,  
 15 pasture herbicides, defoliant herbicides, and desiccant  
 16 herbicides.

17           "(26) The Alabama chapter of the Cystic Fibrosis  
 18 Research Foundation and the Jefferson Tuberculosis Sanatorium  
 19 and any of their departments or agencies, heretofore or  
 20 hereafter organized and existing in good faith in the State of  
 21 Alabama for purposes other than for pecuniary gain and not for  
 22 individual profit, shall be exempted from the computation of  
 23 the tax on the gross proceeds of all sales levied, assessed,  
 24 or payable.

"(27) The gross proceeds from the sale or sales of fuel for use or consumption aboard commercial fishing vessels are hereby exempt from the computation of all sales taxes levied, assessed, or payable under the provisions of this division or levied under any county or municipal sales tax law.

"The words "commercial fishing vessels" shall mean vessels whose masters and owners are regularly and exclusively engaged in fishing as their means of livelihood.

"(28) The gross proceeds of sales of sawdust, wood shavings, wood chips, and other like materials sold for use as "chicken litter" by poultry producers and poultry processors.

"(29) The gross proceeds of the sales of all antibiotics, hormones and hormone preparations, drugs, medicines, and other medications including serums and vaccines, vitamins, minerals, or other nutrients for use in the production and growing of fish, livestock, and poultry by whomsoever sold. Such exemption as herein granted shall be in addition to the exemption provided by law for feed for fish, livestock, and poultry, and in addition to the exemptions provided by law for the above-enumerated substances and products when mixed and used as ingredients in fish, livestock, and poultry feed.

"(30) The gross proceeds of the sale or sales of all medicines prescribed by physicians for persons who are 65

1 years of age or older, and when said prescriptions are filled  
2 by licensed pharmacists, shall be exempted under this division  
3 or under any county or municipal sales tax law. The exemption  
4 provided in this section shall not apply to any medicine  
5 purchased in any manner other than as is herein provided.

6 "For the purposes of this subdivision, proof of age  
7 may be accomplished by filing with the dispensing pharmacist  
8 any one or more of the following documents:

9 "a. The name and claim number as shown on a  
10 "Medicare" card issued by the United States Social Security  
11 Administration.

12 "b. A certificate executed by any adult person  
13 having knowledge of the fact that the person for whom the  
14 medicine was prescribed is not less than 65 years of age.

15 "c. An affidavit executed by any adult person having  
16 knowledge of the fact that the person for whom the medicine  
17 was prescribed is not less than 65 years of age.

18 "For the purposes of this subdivision, any person  
19 filing a false proof of age shall be guilty of a misdemeanor  
20 and upon conviction thereof shall be punished by a fine of  
21 \$100.

22 "(31) There shall be exempted from the tax levied by  
23 this division the gross receipts of sales of grass sod of all  
24 kinds and character when in the original state of production  
25 or condition of preparation for sale, when such sales are made

1 by the producer or members of his family or for him by those  
2 employed by him to assist in the production thereof; provided,  
3 that nothing herein shall be construed to exempt sales of sod  
4 by a person engaged in the business of selling plants,  
5 seedlings, nursery stock, or floral products.

6 "(32) The gross receipts of sales of the following  
7 items or materials which are necessary in the farm-to-market  
8 production of tomatoes when such items or materials are used  
9 by the producer or members of his family or for him by those  
10 employed by him to assist in the production thereof: Twine for  
11 tying tomatoes, tomato stakes, field boxes (wooden boxes used  
12 to take tomatoes from the fields to shed), and tomato boxes  
13 used in shipments to customers.

14 "(33) The gross proceeds from the sale of liquefied  
15 petroleum gas or natural gas sold to be used for agricultural  
16 purposes.

17 "(34) The gross receipts of sales from state  
18 nurseries of forest tree seedlings.

19 "(35) The gross receipts of sales of forest tree  
20 seed by the state.

21 "(36) The gross receipts of sales of Lespedeza  
22 bicolor and other species of perennial plant seed and  
23 seedlings sold for wildlife and game food production purposes  
24 by the state.

1           "(37) The gross receipts of any aircraft  
2     manufactured, sold, and delivered in this state if said  
3     aircraft are not permanently domiciled in Alabama and are  
4     removed to another state within three days of delivery.

5           "(38) The gross proceeds from the sale or sales of  
6     all diesel fuel used for off-highway agricultural purposes.

7           "(39) The gross proceeds from sales of admissions to  
8     any sporting event which:

9           "a. Takes place in the State of Alabama on or after  
10    January 1, 1984, regardless of when such sales occur; and

11          "b. Is hosted by a not-for-profit corporation  
12    organized and existing under the laws of the State of Alabama;  
13    and

14          "c. Determines a national championship of a national  
15    organization, including but not limited to the Professional  
16    Golfers Association of America, the Tournament Players  
17    Association, the United States Golf Association, the United  
18    States Tennis Association, and the National Collegiate  
19    Athletic Association; and

20          "d. Has not been held in the State of Alabama on  
21    more than one prior occasion, provided, however, that for such  
22    purpose the Professional Golfers Association Championship, the  
23    United States Open Golf Championship, the United States  
24    Amateur Golf Championship of the United States Golf



1 Association, and the United States Open Tennis Championship  
2 shall each be treated as a separate event.

3 "(40) The gross receipts from the sale of any  
4 aircraft and replacement parts, components, systems, supplies,  
5 and sundries affixed or used on said aircraft and ground  
6 support equipment and vehicles used by or for the aircraft to  
7 or by a certificated or licensed air carrier with a hub  
8 operation within this state, for use in conducting intrastate,  
9 interstate, or foreign commerce for transporting people or  
10 property by air. For the purpose of this subdivision, the  
11 words "hub operation within this state" shall be construed to  
12 have all of the following criteria:

13 "a. There originates from the location 15 or more  
14 flight departures and five or more different first-stop  
15 destinations five days per week for six or more months during  
16 the calendar year; and

17 "b. Passengers and/or property are regularly  
18 exchanged at the location between flights of the same or a  
19 different certificated or licensed air carrier.

20 "(41) The gross receipts from the sale of hot or  
21 cold food and beverage products sold to or by a certificated  
22 or licensed air carrier with a hub operation within this  
23 state, for use in conducting intrastate, interstate, or  
24 foreign commerce for transporting people or property by air.  
25 For the purpose of this subdivision, the words "hub operation

1 within this state" shall be construed to have all of the  
2 following criteria:

3 "a. There originates from the location 15 or more  
4 flight departures and five or more different first-stop  
5 destinations five days per week for six or more months during  
6 the calendar year; and

7 "b. Passengers and/or property are regularly  
8 exchanged at the location between flights of the same or a  
9 different certificated or licensed air carrier.

10 "(42) The gross proceeds of the sale or sales of the  
11 following:

12 "a. Drill pipe, casing, tubing, and other pipe used  
13 for the exploration for or production of oil, gas, sulphur, or  
14 other minerals in offshore federal waters.

15 "b. Tangible personal property exclusively used for  
16 the exploration for or production of oil, gas, sulphur, or  
17 other minerals in offshore federal waters.

18 "c. Fuel and supplies for use or consumption aboard  
19 boats, ships, aircraft, and towing vessels when used  
20 exclusively in transporting persons or property between a  
21 point in Alabama and a point or points in offshore federal  
22 waters for the exploration for or production of oil, gas,  
23 sulphur, or other minerals in offshore federal waters.

24 "d. Drilling equipment that is used for the  
25 exploration for or production of oil, gas, sulphur, or other

1 minerals, that is built for exclusive use outside this state  
2 and that is, on completion, removed forthwith from this state.

3 "The delivery of items exempted by this subdivision  
4 to the purchaser or lessee in this state does not disqualify  
5 the purchaser or lessee from the exemption if the property is  
6 removed from the state by any means, including by the use of  
7 the purchaser's or lessee's own facilities.

8 "The shipment to a place in this state of equipment  
9 exempted by this subdivision for further assembly or  
10 fabrication does not disqualify the purchaser or lessee from  
11 the exemption if on completion of the further assembly or  
12 fabrication the equipment is removed forthwith from this  
13 state. This subdivision applies to a sale that may occur when  
14 the equipment exempted is further assembled or fabricated if  
15 on completion the equipment is removed forthwith from this  
16 state.

17 "(43) The gross receipts derived from all bingo  
18 games and operations which are conducted in compliance with  
19 validly enacted legislation authorizing the conduct of such  
20 games and operations, and which comply with the distribution  
21 requirements of the applicable local laws; provided that the  
22 exemption from sales taxation granted by this subdivision  
23 shall apply only to gross receipts taxable under subdivision  
24 (2) of Section 40-23-2. It is further provided that this  
25 exemption shall not apply to any gross receipts from the sale

1 of tangible personal property, such as concessions, novelties,  
2 food, beverages, etc. The exemption provided for in this  
3 section shall be limited to those games and operations by  
4 organizations which have qualified for exemption under the  
5 provisions of 26 U.S.C. § 501 (c) (3), (4), (7), (8), (10), or  
6 (19), or which are defined in 26 U.S.C. § 501(d).

7 "(44) The gross receipts derived from the sale or  
8 sales of fruit or other agricultural products by the person or  
9 corporation that planted, cultivated, and harvested such fruit  
10 or agricultural product.

11 "(45) The gross receipts derived from the sale or  
12 sales of all domestically mined or produced coal, coke, and  
13 coke by-products used in cogeneration plants.

14 "(46) The gross proceeds derived from the sale or  
15 sales of tangible personal property to a company which is  
16 actively engaged in the production of an approved project  
17 authorized by the Alabama Film Office and which meets criteria  
18 established by the Alabama Film Office through the Alabama  
19 Administrative Procedure Act.

20 "(b) Any violation of any provision of this section  
21 shall be punishable in a court of competent jurisdiction by a  
22 fine of not less than \$500 and no more than \$2,000 and  
23 imprisonment of not less than six months nor more than one  
24 year in the county jail.

25 "§40-23-62.

1           "The storage, use or other consumption in this state  
2 of the following tangible personal property is hereby  
3 specifically exempted from the tax imposed by this article:

4           "(1) Property, on which the sales tax imposed by the  
5 provisions of Article 1 of this chapter is paid by the  
6 consumer to a person licensed under the provisions of Article  
7 1 of this chapter.

8           "(2) Property, the storage, use or other consumption  
9 of which this state is prohibited from taxing under the  
10 Constitution or laws of the United States of America or under  
11 the Constitution of this state.

12           "(3) Tangible personal property, not to be used in  
13 the performance of a contract, brought into this state by a  
14 nonresident thereof for his own storage, use or consumption  
15 while temporarily within this state.

16           "(4) Lubricating oil and gasoline as defined in  
17 Sections 40-17-30 and 40-17-170, the storage, use or other  
18 consumption of which is otherwise taxed.

19           "(5) All fertilizer; provided, that the word  
20 "fertilizer" as used in this article shall not be construed to  
21 include cottonseed meal when not in combination with other  
22 material.

23           "(6) All seeds for planting purposes and baby chicks  
24 and poults; provided, that nothing herein shall be construed  
25 to exempt plants, seedlings, nursery stock or floral products.

1           "(7) Insecticides and fungicides and feed for  
2 livestock and poultry, but not including prepared foods for  
3 dogs and cats.

4           "(8) The use, storage or consumption of all  
5 livestock by whomsoever sold; and also the gross proceeds of  
6 poultry and other products of the farm, dairy, grove or  
7 garden, when in the original state of production or condition  
8 of preparation for sale, when such sale or sales are made by  
9 the producer or members of his immediate family or for him by  
10 those employed by him to assist in the production thereof.  
11 Nothing herein shall be construed to exempt or exclude from  
12 the measure or computation of the tax levied, assessed or  
13 payable hereunder, the gross proceeds of sales of poultry or  
14 poultry products when not products of the farm.

15           "(9) Cottonseed meal exchanged for cottonseed at or  
16 by cotton gins.

17           "(10) Transportation, gas, water or electricity, of  
18 the kinds and natures, the rates and charges for which when  
19 sold by public utilities, are customarily fixed and determined  
20 by the Public Service Commission of Alabama or like regulatory  
21 bodies.

22           "(11) Coal or coke to be stored, used or consumed by  
23 manufacturers, electric power companies and transportation  
24 companies for use or consumption in the production of  
25 by-products or the generation of heat or power used:

1           "a. In manufacturing tangible personal property for  
2 sale;

3           "b. For the generation of electric power or energy  
4 for use in manufacturing tangible personal property for sale  
5 or for resale; or

6           "c. For the generation of motive power for  
7 transportation.

8           "(12) Fuel and supplies for use or consumption  
9 aboard ships, vessels, towing vessels, or barges, or drilling  
10 ships, rigs or barges, or seismic or geophysical vessels, or  
11 other watercraft (herein for purposes of this exemption being  
12 referred to as "vessels") engaged in foreign or international  
13 commerce or in interstate commerce; provided, that nothing in  
14 this article shall be construed to exempt or exclude from the  
15 measure of the tax herein levied the gross proceeds of sale or  
16 sales of material and supplies to any person for use in  
17 fulfilling a contract for the painting, repair or  
18 reconditioning of vessels, barges, ships, other watercraft and  
19 commercial fishing vessels of over five tons load displacement  
20 as registered with the U.S. Coast Guard and licensed by the  
21 State of Alabama Department of Conservation and Natural  
22 Resources. For purposes of this subdivision, it shall be  
23 presumed that vessels engaged in the transportation of cargo  
24 between ports in the State of Alabama and ports in foreign  
25 countries or possessions or territories of the United States

1 or between ports in the State of Alabama and ports in other  
2 states are engaged in foreign or international commerce or  
3 interstate commerce, as the case may be. For the purposes of  
4 this subdivision, the engaging in foreign or international  
5 commerce or interstate commerce shall not require that the  
6 vessel involved deliver cargo to or receive cargo from a port  
7 in the State of Alabama. For purposes of this subdivision,  
8 vessels carrying passengers for hire, and no cargo, between  
9 ports in the State of Alabama and ports in foreign countries  
10 or possessions or territories of the United States or between  
11 ports in the State of Alabama and ports in other states shall  
12 be engaged in foreign or international commerce or interstate  
13 commerce, as the case may be, if, and only if, both of the  
14 following conditions are met: (i) the vessel in question is a  
15 vessel of at least 100 gross tons; and (ii) the vessel in  
16 question has an unexpired certificate of inspection issued by  
17 the United States Coast Guard or by the proper authority of a  
18 foreign country for a foreign vessel, which certificate is  
19 recognized as acceptable under the laws of the United States.  
20 Vessels which are engaged in foreign or international commerce  
21 or interstate commerce shall be deemed for the purposes of  
22 this subdivision to remain in such commerce while awaiting or  
23 under repair in a port of the State of Alabama if such vessel  
24 returns after such repairs are completed to engaging in  
25 foreign or international commerce or interstate commerce. For



1 purposes of this subdivision, seismic or geophysical vessels  
2 which are engaged either in seismic or geophysical tests or  
3 evaluations exclusively in offshore federal waters or in  
4 traveling to or from conducting such tests or evaluations  
5 shall be deemed to be engaged in international or foreign  
6 commerce. For purposes of this subdivision, proof that fuel  
7 and supplies purchased are for use or consumption aboard  
8 vessels engaged in foreign or international commerce or in  
9 interstate commerce may be accomplished by the merchant or  
10 seller securing the duly signed certificate of the vessel  
11 owner, operator or captain or their respective agent on a form  
12 prescribed by the department that the fuel and supplies  
13 purchased are for use or consumption aboard vessels engaged in  
14 foreign or international commerce or in interstate commerce.  
15 Any person filing a false certificate shall be guilty of a  
16 misdemeanor and upon conviction shall be fined not less than  
17 \$25 nor more than \$500 for each offense. Each false  
18 certificate filed shall constitute a separate offense. Any  
19 person filing a false certificate shall be liable to the  
20 department for all taxes imposed by this division upon the  
21 merchant or seller, together with any interest or penalties  
22 thereon, by reason of the sale or sales of fuel and supplies  
23 applicable to such false certificate. If a merchant or seller  
24 of fuel and supplies secures the certificate herein mentioned,  
25 properly completed, such merchant or seller shall not be

1     liable for the taxes imposed by this division, if such  
2     merchant or seller had no knowledge that such certificate was  
3     false when it was filed with such merchant or seller.

4             "(13) Property stored, used or consumed by the State  
5     of Alabama, by the counties within the state or by  
6     incorporated municipalities of the State of Alabama.

7             "(14) The use, storage or consumption of materials,  
8     equipment and machinery which, at any time, enter into and  
9     become a component part of ships, vessels, towing vessels or  
10    barges, or drilling ships, rigs or barges, or seismic or  
11    geophysical vessels, other watercraft and commercial fishing  
12    vessels of over five tons load displacement as registered with  
13    the U.S. Coast Guard and licensed by the State of Alabama  
14    Department of Conservation and Natural Resources.

15            "(15) The use, storage or consumption of fuel oil  
16    purchased as fuel for kilns used in manufacturing  
17    establishments.

18            "(16) Tangible personal property stored, used or  
19    consumed by county and city school boards, independent school  
20    boards and all educational institutions and agencies of the  
21    State of Alabama, the counties within the state or any  
22    incorporated municipality of the State of Alabama.

23            "(17) The storage, use or consumption of railroad  
24    cars, vessels, and barges and commercial fishing vessels of  
25    over five tons load displacement as registered with the U.S.

1 Coast Guard and licensed by the State of Alabama Department of  
2 Conservation and Natural Resources when purchased from the  
3 manufacturers or builders thereof.

4 "(18) The storage, use or consumption of all devices  
5 or facilities, and all identifiable components thereof or  
6 materials for use therein, used or placed in operation  
7 primarily for the control, reduction or elimination of air or  
8 water pollution, and the storage, use or consumption of all  
9 identifiable components of or materials used or intended for  
10 use in structures built primarily for the control, reduction  
11 or elimination of air or water pollution.

12 "(19) When dealers or distributors use parts taken  
13 from stocks owned by them in making repairs without charge for  
14 such parts to the owner of the property required pursuant to  
15 warranty agreements entered into by manufacturers, such use  
16 shall not constitute taxable sales to the manufacturers,  
17 distributors or to the dealers, under this article, or under  
18 any county use tax law.

19 "(20) The storage, use or other consumption in this  
20 state of religious magazines and publications. For the purpose  
21 of this subdivision the words "religious magazines and  
22 publications" shall be construed to mean printed or  
23 illustrated lessons, notes and explanations distributed by  
24 churches or other religious organizations free of charge to  
25 pupils or students in Sunday schools, Bible classes or other

1 educational facilities established and maintained by churches  
2 or similar religious organizations in this state.

3 "(21) The storage, use or other consumption of  
4 wrapping paper and other wrapping materials when used in  
5 preparing poultry or poultry products for delivery, shipment  
6 or sale by the producer, processor, packer or seller of such  
7 poultry or poultry products including pallets used in shipping  
8 poultry and egg products, paper or other materials used for  
9 lining boxes or other containers in which poultry or poultry  
10 products are packed together with any other materials placed  
11 in such containers for the delivery, shipment or sale of  
12 poultry or poultry products.

13 "(22) The storage, use or other consumption of all  
14 antibiotics, hormones and hormone preparations, drugs,  
15 medicines or medications, vitamins, minerals or other  
16 nutrients and all other feed ingredients including  
17 concentrates, supplements and other feed ingredients when such  
18 substances are used as ingredients in mixing and preparing  
19 feed for livestock and poultry. Such exemption herein granted  
20 shall be in addition to exemptions now provided by law for  
21 feed for livestock and poultry, but not including prepared  
22 foods for dogs and cats.

23 "(23) The use of seedlings, plants, shoots, and  
24 slips which are to be used for planting vegetable gardens or  
25 truck farms. Nothing herein shall be construed to exempt, or

1 exclude from the computation of the tax levied, assessed or  
2 payable, the use of plants, seedlings, shoots, slips, nursery  
3 stock and floral products except as hereinabove exempted.

4 "(24) Fabricated steel tube sections, when produced  
5 and fabricated in this state by any person, firm or  
6 corporation, for any vehicular tunnel for highway vehicular  
7 traffic, when sold by the manufacturer or fabricator thereof,  
8 and also steel which enters into and becomes a component part  
9 of such fabricated steel tube sections of said tunnel, shall  
10 be exempted from the provisions of this article and from the  
11 computation of the amount of the tax levied, assessed or  
12 payable under this article.

13 "(25) The storage, use or other consumption of  
14 herbicides for agricultural uses by whomsoever sold. The term  
15 "herbicides" as used in this subdivision means any substance  
16 or mixture of substances intended to prevent, destroy, repel  
17 or retard the growth of weeds or plants. It shall include  
18 preemergence herbicides, postemergence herbicides, lay-by  
19 herbicides, pasture herbicides, defoliant herbicides and  
20 desiccant herbicides.

21 "(26) The Alabama Chapter of the Cystic Fibrosis  
22 Research Foundation, and the Jefferson Tuberculosis Sanatorium  
23 and any of their departments or agencies, heretofore or  
24 hereafter organized and existing in good faith in the State of  
25 Alabama for purposes other than for pecuniary gain and not for

1 individual profit, shall be exempted from the payment of the  
2 state use tax levied under this article.

3 "(27) Fuel for use or consumption aboard commercial  
4 fishing vessels are hereby exempt from the payment of the  
5 state use tax levied under this article, or levied under any  
6 county or municipal use tax law.

7 "The words "commercial fishing vessels" shall mean  
8 vessels whose masters and owners are regularly and exclusively  
9 engaged in fishing as their means of livelihood.

10 "(28) The storage, use or withdrawal of sawdust,  
11 wood shavings, wood chips and other like materials purchased  
12 for use as "chicken litter" by poultry producers and poultry  
13 processors shall be exempt under this article.

14 "(29) The storage, use or other consumption of all  
15 antibiotics, hormones and hormone preparations, drugs,  
16 medicines and other medications including serums and vaccines,  
17 vitamins, minerals or other nutrients for use in the  
18 production and growing of fish, livestock and poultry are  
19 hereby specifically exempted from the payment of the state use  
20 tax levied by this article. Such exemption as herein granted  
21 shall be in addition to the exemptions now provided by law for  
22 feed for fish, livestock and poultry, and in addition to the  
23 exemptions now provided by law for the above-enumerated  
24 substances and products when mixed and used as ingredients in  
25 fish, livestock and poultry feeds.

1           "(30) All medicines prescribed by physicians for  
2 persons who are 65 years of age or older, and when said  
3 prescriptions are filled by licensed pharmacists, shall be  
4 exempted from the operation of the state use tax law levied by  
5 this article, or by any county or municipal use tax law. The  
6 exemptions provided in this subdivision shall not apply to any  
7 medicine purchased in any manner other than as is herein  
8 provided.

9           "For the purposes of this subdivision, proof of age  
10 may be accomplished by filing with the dispensing pharmacist  
11 any one or more of the following documents:

12           "a. The name and claim number as shown on a  
13 "Medicare" card issued by the United States Social Security  
14 Administration.

15           "b. A certificate executed by any adult person  
16 having knowledge of the fact that the person for whom the  
17 medicine was prescribed is not less than 65 years of age.

18           "c. An affidavit executed by any adult person having  
19 knowledge of the fact that the person for whom the medicine  
20 was prescribed is not less than 65 years of age.

21           "For the purposes of this subdivision any person  
22 filing a false proof of age shall be guilty of a misdemeanor  
23 and upon conviction thereof shall be punished by a fine of  
24 \$100.

1           "(31) All diesel fuel used for off-highway  
2 agricultural purposes.

3           "(32) The storage, use or other consumption of any  
4 aircraft and replacement parts, components, systems, supplies  
5 and sundries affixed or used on said aircraft and ground  
6 support equipment and vehicles used by or for the aircraft by  
7 a certificated or licensed air carrier with a hub operation  
8 within this state, for use in conducting intrastate,  
9 interstate or foreign commerce for transporting people or  
10 property by air. For the purpose of this subdivision, the  
11 words "hub operation within this state" shall be construed to  
12 have all of the following criteria:

13           "a. There originates from the location 15 or more  
14 flight departures and five or more different first-stop  
15 destinations five days per week for six or more months during  
16 the calendar year; and

17           "b. Passengers and/or property are regularly  
18 exchanged at the location between flights of the same or a  
19 different certificated or licensed air carrier.

20           "(33) The storage, use or other consumption of hot  
21 or cold food and beverage products by a certificated or  
22 licensed air carrier with a hub operation within this state,  
23 for use in conducting intrastate, interstate or foreign  
24 commerce for transporting people or property by air. For the  
25 purpose of this subdivision, the words "hub operation within



1     this state" shall be construed to have all of the following  
2     criteria:

3             "a. There originates from the location 15 or more  
4     flight departures and five or more different first-stop  
5     destinations five days per week for six or more months during  
6     the calendar year; and

7             "b. Passengers and/or property are regularly  
8     exchanged at the location between flights of the same or a  
9     different certificated or licensed air carrier.

10            "(34) The storage, use or other consumption of the  
11     following:

12            "a. Drill pipe, casing, tubing, and other pipe used  
13     for the exploration for or production of oil, gas, sulphur, or  
14     other minerals in offshore federal waters.

15            "b. Tangible personal property exclusively used for  
16     the exploration for or production of oil, gas, sulphur, or  
17     other minerals in offshore federal waters.

18            "c. Fuel and supplies for use or consumption aboard  
19     boats, ships, aircraft and towing vessels when used  
20     exclusively in transporting persons or property between a  
21     point in Alabama and a point or points in offshore federal  
22     waters for the exploration for or production of oil, gas,  
23     sulphur, or other minerals in offshore federal waters.

24            "d. Drilling equipment that is used for the  
25     exploration for or production of oil, gas, sulphur, or other

1 minerals, that is built for exclusive use outside this state  
2 and that is, on completion, removed forthwith from this state.

3 "e. All domestically mined or produced coal, coke,  
4 and coke by-products used in cogeneration plants in Alabama.

5 "(35) The storage, use, or other consumption of  
6 tangible personal property brought into this state by a  
7 company which is actively engaged in the production of an  
8 approved project authorized by the Alabama Film Office and  
9 which meets criteria established by the Alabama Film Office  
10 through the Alabama Administrative Procedure Act.

11 "The delivery of items exempted by this subdivision  
12 to the purchaser or lessee in this state does not disqualify  
13 the purchaser or lessee from the exemption if the property is  
14 removed from the state by any means, including by the use of  
15 the purchaser's or lessee's own facilities.

16 "The shipment to a place in this state of equipment  
17 exempted by this subdivision for further assembly or  
18 fabrication does not disqualify the purchaser or lessee from  
19 the exemption if on completion of the further assembly or  
20 fabrication the equipment is removed forthwith from this  
21 state. This subdivision applies to a sale that may occur when  
22 the equipment exempted is further assembled or fabricated if  
23 on completion the equipment is removed forthwith from this  
24 state.

25 "§40-26-1.

1           "(a) There is levied and imposed, in addition to all  
2 other taxes of every kind now imposed by law, a privilege or  
3 license tax upon every person, firm, or corporation engaging  
4 in the business of renting or furnishing any room or rooms,  
5 lodging, or accommodations to transients in any hotel, motel,  
6 inn, tourist camp, tourist cabin, or any other place in which  
7 rooms, lodgings, or accommodations are regularly furnished to  
8 transients for a consideration, in any county which is located  
9 in the geographic region comprising the Alabama mountain lakes  
10 area, those being Blount, Cherokee, Colbert, Cullman, DeKalb,  
11 Etowah, Franklin, Jackson, Lauderdale, Lawrence, Limestone,  
12 Madison, Marion, Marshall, Morgan, and Winston, in an amount  
13 to be determined by the application of the rate of five  
14 percent of the charge for such room, rooms, lodgings, or  
15 accommodations, including the charge for use or rental of  
16 personal property and services furnished in such room, and the  
17 rate of four percent of the charge in every other county.  
18 There is exempted from the tax levied under this chapter any  
19 rentals or services taxed under Division 1 of Article 1 of  
20 Chapter 23 of this title.

21           "(b) The tax shall not apply to rooms, lodgings, or  
22 accommodations supplied: (i) for a period of 180 continuous  
23 days or more in any place; (ii) by camps, conference centers,  
24 or similar facilities operated by nonprofit organizations  
25 primarily for the benefit of, and in connection with,

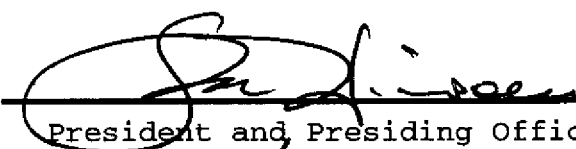
recreational or educational programs for children, students, or members or guests of other nonprofit organizations during any calendar year; (iii) in connection with the production of an approved project authorized by the Alabama Film Office and which meets criteria established by the Alabama Film Office through the Alabama Administrative Procedure Act; or by (iv) by 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.


"(c) For purposes of subsection (b): "children" means individuals under age 21; "student" is defined in accordance with 26 U.S.C. §151(c)(4), as in effect from time to time or by any successor law; "nonprofit organization" is an organization exempt from federal income tax under 26 U.S.C. §501(c)(3), as in effect from time to time or any successor law; and "privately operated" refers to any camp, conference center, or similar facility other than those operated by a nonprofit organization as herein defined."

Section 7. The provisions of this act granting exemption from sales, use and lodgings taxes to film production companies approved by the Alabama Film Commission shall sunset at the end of the fiscal year ending September 30, 2005 unless continued by an act of the Legislature.

1                   Section 8. This act shall become effective on the  
2           first day of the third month following its passage and  
3           approval by the Governor, or its otherwise becoming law.

SB21

1  
2  
3  
4   
President and Presiding Officer of the Senate

5  
6   
Speaker of the House of Representatives

7 SB21

8 Senate 12-SEP-2001

9 I hereby certify that the within Act originated in and passed  
10 the Senate.  
11

12 McDowell Lee  
13 Secretary  
14  
15

16  
17 House of Representatives  
18 Amended and passed 19-SEP-2001  
19

20  
21 Senate concurred in House amendment 19-SEP-2001  
22

23  
24 By: Senator Butler

APPROVED

TIME

GOVERNOR

Alabama Secretary of State

Page 45

Act Num.....: 2001-975  
Bill Num....: S-21

Recv'd 09/28/01 11:04amHMB