

TO: ALL PERSONS, FIRMS, AND CORPORATIONS engaged in the business of leasing or renting tangible personal property in the **Semmes** Alabama, and its police jurisdiction (located in Mobile County)

On July 21, 2026, the governing body of the Semmes adopted Ordinance No. 2026-29 changing the rates of the Semmes rental tax **effective October 1, 2026**. The new rental tax rates are shown below:

Rental Tax Rates:	<u>Old Rates</u>	<u>New Rates</u>
Lease or rental of tangible personal property.....	2.5%	4.5%
Lease or rental of automotive vehicles, truck trailers, semi-trailers and house trailers.....	2.5%	4.5%
Lease or rental of linens and garments.....	2.5%	4.5%

If rentals/leases are made to lessees outside the corporate limits of the Semmes but within the police jurisdiction, the rates of tax are one-half of those stated above.

The Law requires that Semmes rental tax be collected, reported and remitted in the same manner as the State rental tax. The Semmes rental tax is to be included on the electronic local tax return assigned to you (City and County Tax Return, form 9501). Enter the gross amounts and deductions, and all calculations will be done automatically for you. These taxes are filed online through My Alabama Taxes (MAT) at myalabamataxes.alabama.gov.

Please direct all questions regarding the Semmes rental tax to this office:

Alabama Department of Revenue
Sales and Use Tax Division
Post Office Box 327710
Montgomery, Alabama 36132-7710
334-242-1490 or 866-576-6531

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JUL 22 2026

LOCAL TAX



LOCAL TAX

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Mayor Brandon Van Hook

ORDINANCE 2026-29
Amending Ordinance 2011-04

**FOR THE PURPOSE OF LEVYING A RENTAL/LEASE TAX WITHIN THE CITY
LIMITS AND POLICE JURISDICTION OF THE CITY OF SEMMES**

NOW THEREFORE, BE IT ORDAINED, by the City Council of the City of Semmes, Alabama, while in regular session on the 21st day of July, 2026, pursuant to the provisions of Code of Alabama 1975, Sections 11-51-200 through 11-51-207, that Ordinance 2011-03 and 2025-25 are amended to read as follows:

Section 1. Definitions

For purposes of this ordinance, the following terms shall have the respective meanings ascribed by this section:

- (1) **BUSINESS.** All activities engaged in, or caused to be engaged in, by any person with the object of gain, profit, benefit, or advantage, either direct or indirect to such person.
- (2) **DESIGNEE.** The administrative agent as designee for the City of Semmes
- (3) **GROSS PROCEEDS.** 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 deductions on account of loss, and shall also include on the part of any person claiming exemption under subdivision (4) of Section 40-12-223 an amount equal to the amount of rental paid on any tangible personal property acquired under such exemption and thereafter diverted to the use of such person.

(4) LEASING or RENTAL. 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.

(5) PERSON. 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.

(6) TANGIBLE PERSONAL PROPERTY. 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.

Section 2. License Required

Any person who shall engage in or continue in any business for which a privilege tax is imposed by Section 3 of this ordinance as a condition precedent to engaging or continuing in such business shall apply for and obtain from the City a license to engage in and to conduct such business for the correct tax year upon the condition that such person pay the taxes accruing to the City under the provisions of this ordinance. No such license shall be issued under the provisions of this ordinance to any person who has not complied with the provisions of this ordinance, and no provision of this ordinance shall be construed as relieving any person from the payment of any license or privilege tax now or hereafter imposed by law.

Section 3. Levy of tax; rate

In addition to all other taxes now imposed by law, there is hereby levied and shall be collected as herein provided a privilege or license tax on each person engaging or continuing within the City of Semmes in the business of leasing or renting tangible personal property at the rate of 4.5 percent (4.5%) 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 within the City of Semmes in the business of leasing or renting any automotive vehicle or truck trailer, semitrailer or house trailer shall be at the rate of 4.5 percent (4.5%) 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 privilege or license tax on each person or firm engaging or continuing within the City of Semmes in the business of the leasing and rental of linens and garments shall be at the rate of 4.5 percent (4.5%) of the gross proceeds derived by the lessor from the lease or rental of such linens and garments. Amounts levied and imposed in the police jurisdiction shall be at one-half the rates set out above for businesses within the City.

Section 4. Exemptions from tax

There are exempted from the provisions of this ordinance and from the computation of the amount of the tax levied, assessed or payable under this ordinance the gross proceeds derived by the lessor from the lease or rental of tangible personal property which are exempted from taxation under the provisions of Article 4, Chapter 12, Title 40, Code of Alabama 1975, as amended, as the same is now or hereafter may be amended, including any leasing or rental, as lessor, by the State of Alabama, or any county or municipality in the State of Alabama, or any public corporation organized under the provisions of Sections 11-54-80 through 11-54-101 of the Code of Alabama.

Section 5. Collection of Tax

The provisions of this ordinance shall be administered and the tax herein collected in the same manner as other gross receipts privilege license taxes in the City. The City may contract with an independent contractor to administer and collect this tax.

Section 6. Proceeds of Tax

The proceeds derived from the privilege license tax herein levied shall be placed in the general fund of the City, subject to appropriation by the City Council for any lawful purpose of the City.

Section 7. Severability

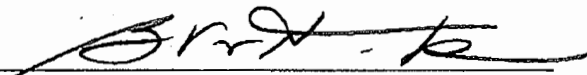
The provisions of this ordinance are severable. If any part hereof is declared invalid or unconstitutional by a court of competent jurisdiction, such declaration shall not affect the part which remains.

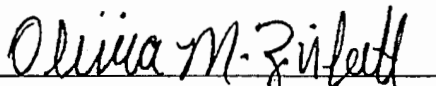
Section 8. Effective Date

This ordinance shall become effective on the first day of October, 2026, and the first payment of taxes hereunder shall be due and payable on the twentieth day of November, 2026. Any resolution or ordinance heretofore adopted which is in conflict with this ordinance is hereby repealed to the extent of such conflict.

Adopted and approved this 21st day of July, 2026.

ATTEST:


Brandon Van Hook - Mayor


Olivia Zirlott - City Clerk