Pelham

Effective December 1, 2026

The governing body of Pelham has notified the Alabama Department of Revenue stating Pelham has removed the discount allowed for sales, use, rental, and lodgings taxes.

These changes will be effective with the taxes for the period ending December 31, 2026 which are due on or before January 20, 2027. For questions regarding these changes, please contact:

City of Pelham
P. O. Box 1238
Pelham, AL 35124
Phone: 205-620-6412
Fax: 205-663-0550

Your City of Pelham sales, use, rental, and lodgings taxes may continue to be remitted online through the Alabama Department of Revenue's online filing system My Alabama Taxes (MAT), the 'ONE SPOT' to file: https://myalabamataxes.alabama.gov.

If you have any questions regarding this notice, please contact this office.

ALABAMA DEPARTMENT OF REVENUE
Sales & Use Tax Division
P.O. Box 327710
Montgomery, Alabama 36132-7710
(334) 242-1490

Alabama Department of Revenue

ORDINANCE NO. 526-03

AN ORDINANCE TO AMEND CHAPTER 5, ARTICLE II OF THE CODE OF ORDINANCES OF THE CITY OF PELHAM CONCERNING SALES AND USE TAX ADMINISTRATION

WHEREAS, the City of Pelham has previously adopted Ordinance No. 324 and related provisions codified in Chapter 5, Article II of the City of Pelham Code of Ordinances governing municipal sales and use taxes; and

WHEREAS, the City Council adopted Ordinance No. 526 on October 20, 2025, comprehensively revising Chapter 5, Article I concerning business licenses, taxes, and related administrative procedures; and

WHEREAS, the City desires to update the incorporation of Alabama sales and use tax law and to reorganize and clarify existing provisions concerning reports, recordkeeping, penalties, and the relationship between Articles I and II; and

WHEREAS, it is in the best interest of the City to amend the Code of Ordinances of the City of Pelham, Alabama to remove any provision(s) authorizing a discount and to clarify that no discount shall apply to City-administered or State-administered (if applicable) local taxes remitted to the City.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PELHAM, ALABAMA, AS FOLLOWS:

Section 1. Chapter 5, Article II, Section 5-31 of the City of Pelham Code of Ordinances is hereby repealed in its entirety and replaced with the following:

Sec. 5-31. Applicability of state sales tax statutes.

(a) The taxes levied by section 5-30 shall be subject to all definitions, exceptions, exemptions, proceedings, requirements, provisions, rules and regulations promulgated under the Alabama Administrative Procedure Act (Code of Ala. 1975, § 41-22-1 et seq.), direct pay permit and drive-out certificate procedures, statutes of limitation, penalties, fines, punishments, and deductions for the corresponding state tax as are provided by Code of Ala. 1975, §§ 40-2A-7, 40-23-1, 40-23-2, 40-23-2.1, 40-23-4 – 40-23-31, inclusive, 40-23-36 and 40-23-37, except for those provisions relating to the tax rate, and Code of Ala. 1975, § 40-23-38, except where inapplicable or where herein otherwise provided, including all provisions of the state sales tax statutes for enforcement and collections of taxes.

(b) Notwithstanding the provisions of subsection (a) of this section, the tax provided in Code of Ala. 1975, § 11-51-200 on any automotive vehicle, truck trailer, trailer, semitrailer or travel trailer required to be registered or licensed with the probate judge, which is not sold through a licensed state dealer, shall be collected and fees paid in accordance with the provisions of Code of Ala. 1975, §§ 40-23-104 and 40-23-107, respectively.

Section 2. Chapter 5, Article II, Section 5-33 of the City of Pelham Code of Ordinances is hereby repealed in its entirety and replaced with the following:

Sec. 5-33. Applicability of state use tax statutes.

(a) The taxes levied by section 5-32 shall be subject to all definitions, exceptions, exemptions, proceedings, requirements, provisions, rules and regulations promulgated under the Alabama Administrative Procedure Act (Code of Ala. 1975, § 41-22-1 et seq.), direct pay permit and drive-out certificate procedures, statutes of limitation, penalties, fines, punishments, and deductions for the corresponding state tax as are provided by Code of Ala. 1975, §§ 40-2A-7 and 40-23-60 et seq., except where inapplicable or where herein otherwise provided, including all provisions of the state use tax statutes for enforcement and collections of taxes.

(b) Notwithstanding the provisions of subsection (a) of this section, the tax provided in Code of Ala. 1975, § 11-51-202 on any automotive vehicle, truck trailer, trailer, semitrailer or travel trailer required to be licensed with the probate judge, which were sold by dealers that are not licensed in the state, or were sold by licensed state dealers who failed to collect municipal or county sales taxes at the point of sale, shall be collected and fees paid in accordance with the provisions of Code of Ala. 1975, §§ 40-23-104 and 40-23-107, respectively.

Section 3. Chapter 5, Article II, Section 5-34.1, entitled "Discount," is hereby repealed in its entirety and replaced with the following:

Sec. 5-34.1. Reports under oath.
The monthly reports required to be made under this article are not required to be made under oath. Whenever any report is required by this article or applicable law to be sworn to, the report shall be sworn to by the taxpayer or the taxpayer's agent before an officer authorized to administer oaths. Any false statement as to a material fact made with intent to defraud shall constitute perjury, and, upon conviction, the person so convicted shall be punished as provided by law.

Section 4. Chapter 5, Article II, Section 5-34.2 of the City of Pelham Code of Ordinances is hereby repealed in its entirety and replaced with the following:

Sec. 5-34.2. Penalties.
(1) Failure to timely file return. If a taxpayer fails to file any return required to be filed with the city on or before the date prescribed therefor, there shall be assessed as a penalty the greater of ten percent of the tax due or $50.00. Such penalty shall be assessed and collected as part of the tax.

(2) Failure to timely pay tax. If a taxpayer fails to pay the amount of tax due to the city on or before the date prescribed therefor, there shall be added a failure to timely pay penalty of ten percent of the unpaid tax amount. Such penalty shall be assessed and collected as part of the tax.

(3) Penalty for Failure to Make Reports or Keep Records. Any person subject to the provisions of this division who shall fail to make the reports or any of them, as herein required, or who shall fail to keep the records as herein required, shall be guilty of a misdemeanor, and upon conviction shall be fined not less than $25 nor more than $500 for each offense. Each month of such failure shall constitute a separate offense.

(4) Penalty for Willful Refusal to Make Reports or Permit Examination of Records. Any person subject to the provisions of this division willfully refusing to make the reports herein required, or who shall refuse to permit the examination of his records by the Department of Revenue, or its duly authorized agents, shall be guilty of a misdemeanor, and upon conviction shall be fined not less than $50 nor more than $500 for each offense, and in addition may be imprisoned in the county jail for a period not to exceed six months. Each month of failure to make such reports shall constitute a separate offense, and each refusal of a written demand of the department to examine, inspect or audit such records shall constitute a separate offense.

Section 5. Chapter 5, Article II, Section 5-34.6 of the City of Pelham Code of Ordinances is hereby repealed in its entirety and replaced with the following:

Sec. 5-34.6. Article cumulative; severability.
(a) Except as otherwise expressly provided in this article, the provisions of Article I of this chapter relating to the administration, assessment, collection, enforcement, audit, examination of records, penalties, interest, appeals, refunds, and other procedures shall apply to the taxes imposed under this article to the extent applicable and not inconsistent with this article or governing state law.

(b) This article shall not be construed to repeal any provision of Article I of this chapter, the general license code, or any other ordinance of the City of Pelham under which a privilege, license, or other tax is levied. This article shall be cumulative, and the taxes levied under this article shall be in addition to all other license fees and taxes imposed by the City of Pelham.

(c) The sections, subsections, paragraphs, sentences, clauses, and phrases of this article are severable. If any provision of this article is declared unconstitutional or otherwise invalid by a court of competent jurisdiction, that determination shall not affect the validity of the remaining provisions of this article.

Section 6. The Code of Alabama 1975, as amended, provisions are referenced by and incorporated into the foregoing amendments as applicable.

Section 7. All other provisions of Ordinance No. 324 and Chapter 5, Article II of the City of Pelham Code of Ordinances not expressly amended by this Ordinance shall remain in full force and effect.

Section 8. The provisions of this Ordinance are severable. If any part of this Ordinance is declared invalid or unconstitutional by a court of competent jurisdiction, that declaration shall not affect the remaining provisions.

Section 9. All ordinances or parts of ordinances in conflict with this Ordinance are repealed to the extent of such conflict.

Section 10. This Ordinance shall become effective upon its passage and publication or posting as required by law.

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THEREUPON Michael Harris, a councilmember, moved and Markus Hal Snowden, a councilmember, seconded the motion that Ordinance No. 526-03 be given vote. The roll call vote on said motion was recorded as follows:

Chad Leverett, Council President	Yes
Michelle Power, Council Member	Yes
Christine Townes, Council Member	Yes
Markus Hal Snowden, Council Member	Yes
Michael Harris, Council Member	Yes

Ordinance No. 526-03 passed by a vote of the members of the Council present and the Council President declared the same passed.

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ADOPTED this the 2nd day of November 2026.

Chad Leverett, Council President

Michelle Power, Council Member

Christine Townes, Council Member

Markus Hal Snowden, Council Member

Michael Harris, Council Member

[SEAL]

ATTEST

Jonathan Seale, CMC, City Clerk/Treasurer

APPROVED

Rick Wash, Mayor

11-02-2026
Date

POSTING AFFIDAVIT

I, the undersigned qualified City Clerk/Treasurer of the City of Pelham, Alabama, do hereby certify that the above and foregoing ORDINANCE NO. 523-03 was duly ordained, adopted, and passed by the City Council of the City of Pelham, Alabama at a regular meeting of such Council held on the 2nd day of November 2026 and duly published by posting an exact copy thereof on the 3rd day of November 2026 at four public places within the City of Pelham, including the Mayor's Office at City Hall, Park & Recreation Center, Library, Pelham Water Works and www.pelhamalabama.gov. I further certify that said ordinance is on file in the office of the City Clerk/Treasurer and a copy of the full ordinance may be obtained from the office of the City Clerk/Treasurer during normal business hours.

Jonathan Seale, CMC, City Clerk/Treasurer

[SEAL]

Pelham
A path apart.

Revenue Department
205.620.6480

MEMORANDUM

TO: Gretchen DiFante, City Manager
FROM: Jamie Wagner, Finance Director
DATE: September 14, 2026
SUBJECT: Request to Repeal and Replace Sections of Ord. No. 324

I respectfully request that the City Council consider repealing and replacing Sections of Ord. No. 324, concerning the sales and use tax discount and enforcement procedures.

The proposed ordinance would update Chapter 5, Article II of the Pelham Code of Ordinances by revising the City's incorporation of Alabama sales and use tax law and reorganizing the existing administrative provisions governing reports, recordkeeping, and related offenses.

We are proposing ordinances to accomplish the following:

Code of Ordinances - Chapter 5, Article II, Section 5-31

Repeal section 5-31 in its entirety and replace it with the following:

Sec. 5-31. Applicability of state sales tax statutes.

(a)The taxes levied by section 5-30 shall be subject to all definitions, exceptions, exemptions, proceedings, requirements, provisions, rules and regulations promulgated under the Alabama Administrative Procedure Act (Code of Ala. 1975, § 41-22-1 et seq.), direct pay permit and drive-out certificate procedures, statutes of limitation, penalties, fines, punishments, and deductions for the corresponding state tax as are provided by Code of Ala. 1975, §§ 40-2A-7, 40-23-1, 40-23-2, 40-23-2.1, 40-23-4 —40-23-31, inclusive, 40-23-36 and 40-23-37, except for those provisions relating to the tax rate, and Code of Ala. 1975, § 40-23-38, except where inapplicable or where herein otherwise provided, including all provisions of the state sales tax statutes for enforcement and collections of taxes.

(b)Notwithstanding the provisions of subsection (a) of this section, the tax provided in Code of Ala. 1975, § 11-51-200 on any automotive vehicle, truck trailer, trailer, semitrailer or travel trailer required to be registered or licensed with the probate judge, which is not sold through a licensed state dealer, shall be collected and fees paid in accordance with the provisions of Code of Ala. 1975, §§ 40-23-104 and 40-23-107, respectively.

Code of Ordinances - Chapter 5, Article II, Section 5-33

Repeal section 5-33 in its entirety and replace it with the following:

Sec. 5-33. Applicability of state use tax statutes.

(a)The taxes levied by section 5-32 shall be subject to all definitions, exceptions, exemptions, proceedings, requirements, provisions, rules and regulations promulgated under the Alabama Administrative Procedure Act (Code of Ala. 1975, § 41-22-1 et seq.), direct pay permit and drive-out certificate procedures, statutes of limitation, penalties, fines, punishments and deductions for the corresponding state tax as are provided by Code of Ala. 1975, §§ 40-2A-7 and 40-23-60 et seq., except where inapplicable or where herein otherwise provided, including all provisions of the state use tax statutes for enforcement and collections of taxes.

(b)Notwithstanding the provisions of subsection (a) of this section, the tax provided in Code of Ala. 1975, § 11-51-202 on any automotive vehicle, truck trailer, trailer, semitrailer or travel trailer required to be licensed with the probate judge, which were sold by dealers that are not licensed in the state, or were sold by licensed state dealers who failed to collect municipal or county sales taxes at the point of sale, shall be collected and fees paid in accordance with the provisions of Code of Ala. 1975, §§ 40-23-104 and 40-23-107, respectively.

Code of Ordinances - Chapter 5, Article II, Section 5-34.1

Repeal section 5-34.1, entitled "Discount," in its entirety and replace it with the following:

Sec. 5-34.1. Reports under oath.

The monthly reports required to be made under this article are not required to be made under oath. Whenever any report is required by this article or applicable law to be sworn to, the report shall be sworn to by the taxpayer or the taxpayer's agent before an officer authorized to administer oaths. Any false statement as to a material fact made with intent to defraud shall constitute perjury, and, upon conviction, the person so convicted shall be punished as provided by law.

Code of Ordinances - Chapter 5, Article II, Section 5-34.2

Repeal section 5-34.2 in its entirety and replace it with the following:

Sec. 5-34.2. Penalties.

(1) Failure to timely file return. If a taxpayer fails to file any return required to be filed with the city on or before the date prescribed therefor, there shall be assessed as a penalty the greater of ten percent of the tax due or $50.00. Such penalty shall be assessed and collected as part of the tax.

(2) Failure to timely pay tax. If a taxpayer fails to pay the amount of tax due to the city on or before the date prescribed therefor, there shall be added a failure to timely pay penalty of ten percent of the unpaid tax amount. Such penalty shall be assessed and collected as part of the tax.

(3) Penalty for Failure to Make Reports or Keep Records. Any person subject to the provisions of this division who shall fail to make the reports or any of them, as herein required, or who shall fail to keep the records as herein required, shall be guilty of a misdemeanor, and upon conviction shall be fined not less than $25 nor more than $500 for each offense. Each month of such failure shall constitute a separate offense.

(4) Penalty for Willful Refusal to Make Reports or Permit Examination of Records. Any person subject to the provisions of this division willfully refusing to make the reports herein required, or who shall refuse to permit the examination of his records by the Department of Revenue, or its duly authorized agents, shall be guilty of a misdemeanor, and upon conviction shall be fined not less than $50 nor more than $500 for each offense, and in addition may be imprisoned in the county jail for a period not to exceed six months. Each month of

failure to make such reports shall constitute a separate offense, and each refusal of a written demand of the department to examine, inspect or audit such records shall constitute a separate offense.

Code of Ordinances - Chapter 5, Article II, Section 5-34.6

Repeal section 5-34.6 in its entirety and replace it with the following:

Sec. 5-34.6. - Article cumulative; severability.

(a) Except as otherwise expressly provided in this article, the provisions of Article I of this chapter relating to the administration, assessment, collection, enforcement, audit, examination of records, penalties, interest, appeals, refunds, and other procedures shall apply to the taxes imposed under this article to the extent applicable and not inconsistent with this article or governing state law.

(b) This article shall not be construed to repeal any provision of Article I of this chapter, the general license code, or any other ordinance of the City of Pelham under which a privilege, license, or other tax is levied. This article shall be cumulative, and the taxes levied under this article shall be in addition to all other license fees and taxes imposed by the City of Pelham.

(c) The sections, subsections, paragraphs, sentences, clauses, and phrases of this article are severable. If any provision of this article is declared unconstitutional or otherwise invalid by a court of competent jurisdiction, that determination shall not affect the validity of the remaining provisions of this article.

State law references:

- Code of Alabama 1975, sections 11-51-200 and 11-51-201 (municipal sales tax authority and conformity).
- Code of Alabama 1975, sections 11-51-202 and 11-51-203 (municipal use tax authority and conformity).
- Code of Alabama 1975, sections 40-23-10, 40-23-11, and 40-23-12 (reports, records, and penalties).

For these reasons, I recommend that the Council adopt an ordinance to repeal and replace the referenced Sections of Ord. No. 324.

Please let me know if you would like this matter to be placed on a future council agenda for consideration.

ORDINANCE NO. 526-06

AN ORDINANCE TO REPEAL CHAPTER 5, ARTICLE VIII, SECTION 5-145 OF THE CODE OF ORDINANCES OF THE CITY OF PELHAM CONCERNING THE TRANSIENT LODGING TAX DISCOUNT

WHEREAS, the City of Pelham previously adopted Ordinance No. 196, codified in Chapter 5, Article VIII of the City of Pelham Code of Ordinances, concerning the transient lodging tax; and

WHEREAS, Section 5-145, entitled "Discount," currently allows a discount for the early payment of taxes administered under Article VIII; and

WHEREAS, the City has reviewed the continued need for the early-payment discount and desires to eliminate the discount so that the full amount of transient lodging tax due is remitted to the City; and

WHEREAS, the repeal of Section 5-145 will simplify administration of the transient lodging tax and make the City's collection practices more consistent with current practices among surrounding municipalities.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PELHAM, ALABAMA, AS FOLLOWS:

Section 1. Chapter 5, Article VIII, Section 5-145, entitled "Discount," of the City of Pelham Code of Ordinances, as adopted through Ordinance No. 196 on July 11, 2005, is hereby revoked and repealed in its entirety.

Section 2. The City Clerk/Treasurer is authorized to renumber or rename any sections, cross-references, headings, or index entries as appropriate to account for the removal of Section 5-145, provided that no substantive provision of the Code is otherwise amended by such administrative action.

Section 3. All other provisions of Ordinance No. 196 and Chapter 5, Article VIII of the City of Pelham Code of Ordinances not expressly repealed by this Ordinance shall remain in full force and effect.

Section 4. The provisions of this Ordinance are severable. If any part of this Ordinance is declared invalid or unconstitutional by a court of competent jurisdiction, that declaration shall not affect the remaining provisions.

Section 5. All ordinances or parts of ordinances in conflict with this Ordinance are repealed to the extent of such conflict.

Section 6. This Ordinance shall become effective upon its passage and publication or posting as required by law, but not prior to February 1, 2027.

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THEREUPON Michael Harris, a councilmember, moved and Markus Hal Snowden, a councilmember, seconded the motion that Ordinance No. 526-06 be given vote. The roll call vote on said motion was recorded as follows:

Chad Leverett, Council President	Yes
Michelle Power, Council Member	Yes
Christine Townes, Council Member	Yes
Markus Hal Snowden, Council Member	Yes
Michael Harris, Council Member	Yes

Ordinance No. 526-06 passed by a vote of the members of the Council present and the Council President declared the same passed.

REMAINDER OF PAGE LEFT INTENTIONALLY BLANK

ADOPTED this the 2nd day of November 2026.

Chad Leverett, Council President

Michelle Power, Council Member

Christine Townes, Council Member

Markus Hal Snowden, Council Member

Michael Harris, Council Member

[SEAL]

ATTEST

Jonathan Seale, CMC, City Clerk/Treasurer

APPROVED

Rick Wash, Mayor

11-02-2026
Date

POSTING AFFIDAVIT

I, the undersigned qualified City Clerk/Treasurer of the City of Pelham, Alabama, do hereby certify that the above and foregoing ORDINANCE NO. 526-06 was duly ordained, adopted, and passed by the City Council of the City of Pelham, Alabama at a regular meeting of such Council held on the 2nd day of November 2026 and duly published by posting an exact copy thereof on the 3rd day of November 2026 at four public places within the City of Pelham, including the Mayor's Office at City Hall, Park & Recreation Center, Library, Pelham Water Works and www.pelhamalabama.gov. I further certify that said ordinance is on file in the office of the City Clerk/Treasurer and a copy of the full ordinance may be obtained from the office of the City Clerk/Treasurer during normal business hours.

Jonathan Seale, CMC, City Clerk/Treasurer

[SEAL]

Pelham
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Revenue Department
205.620.6480

MEMORANDUM

TO: Gretchen DiFante, City Manager
FROM: Jamie Wagner, Finance Director
DATE: September 14, 2026
SUBJECT: Proposed Ordinance to repeal Ord. No. 196 Section 5-145

I respectfully request that the City Council consider repealing Ord. No. 196 Section 5-145, adopted July 11, 2005, concerning the transient lodging tax discount.

Section 5-145 of the Pelham Code of Ordinances (Chapter 5, Article VIII, "Discount") currently allows a discount for the early or timely payment of taxes administered under that article. Because the City self-administers and collects its own sales, use, rental, and lodgings taxes, this discount reduces the tax revenue the City retains from businesses that are already filing and remitting on time, without providing any offsetting administrative benefit to the City.

Several neighboring municipalities either do not offer a comparable early-payment discount or have recently eliminated one, amending their codes to provide that no discount is available for early payment of the applicable tax, for any reason. Revoking Section 5-145 would bring Pelham in line with this trend among area cities and preserve tax revenue that is currently being discounted without a corresponding benefit to the City.

We are requesting that the Council adopt an ordinance directing that Section 5-145 be revoked, as follows:

- Chapter 5, Article VIII, Section 5-145 ("Discount") – Revoked in its entirety.
  This removes the discount currently allowed for early or timely payment of taxes administered under Article VIII, preserving City tax revenue and aligning Pelham with the approach taken by other area municipalities that do not offer, or have eliminated, similar early-payment discounts.
- Be it further ordained that the Clerk is authorized to renumber or rename any sections as appropriate to account for the removed section.

For these reasons, I recommend that the Council adopt an ordinance to repeal Ord. No. 196 Section 5-145.

Please let me know if you would like this matter to be placed on a future council agenda for consideration.