

Ordinance # 2021

For the purpose of levying a rental/lease tax within the Town limits and police jurisdiction of the Town of Shiloh.

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 Town of Shiloh
- (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 Town 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 Town 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 Town of Shiloh in the business of leasing or renting tangible personal property at the rate of 2 percent (2%) 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 Town of Shiloh in the business of leasing or renting any automotive vehicle or truck trailer, semitrailer or house trailer shall be at the rate of 1 percent (1%) 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 Town of Shiloh in the business of the leasing and rental of linens and garments shall be at the rate of 1 percent (1%) 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 Town.

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 Town. The Town 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 Town, subject to appropriation by the Town council for any lawful purpose of the Town.

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 ¹³⁶ ~~July~~ ^{August} 2021, following its passage and adoption by the Town Council of the Town of Shiloh, Alabama and posting as required by law.

ADOPTED AND APPROVED THIS 1st DAY OF March, 2021.

ATTEST:

Town of Shiloh, Alabama

Shelia Phillips
Town Clerk

Matthew L. USA
Mayor

Mayor Pro Temp