

ALABAMA TAX TRIBUNAL

UNITED HOTEL GROUP, LLC,	§	
Taxpayer,	§	
v.	§	DOCKET NO. S. 24-0575-JP S. 24-0576-JP S. 24-0577-JP
STATE OF ALABAMA	§	
DEPARTMENT OF REVENUE.		

FINAL ORDER

These consolidated appeals involve the entry by the Alabama Department of Revenue of final assessments of consumer's use tax for the months of December 2016 through September 2022; state lodgings tax for the months of October 2019 through September 2022; and local (Marshall County) lodgings tax for the months of December 2016 through September 2022. A trial was held on August 5, 2025. The Taxpayer was represented by Mr. Rick Patel, and Mrs. Susie Patel also attended. The Alabama Department of Revenue was represented by Ms. Hilary Parks, and Mr. Warren Watson from the Gadsden Taxpayer Service Center testified.

Mr. Patel stated that he questioned an employee of the City of Boaz as to the total amount of tax (presumably, lodgings tax) to be collected concerning the operating of a motel within the city. According to Mr. Patel, the employee stated that the combined tax rate totaled 8%. Therefore, the business began collecting tax at a combined rate of 8%. However, upon audit by the Alabama Department of Revenue, the Taxpayer was informed that the Taxpayer should have been collecting an additional 1% Marshall County lodgings tax in addition to the state and city lodgings tax. A final assessment was entered by the Alabama Department of Revenue for

Marshall County lodgings tax in the amount of \$45,356.80; consisting of tax of \$34,159.69; interest of \$7,781.10; and a late-filing penalty of \$3,416.01. A final assessment of state lodgings tax also was entered for \$704.71, consisting of tax of \$579.17 and interest of \$125.54. And a final assessment of consumer's use tax was entered for \$1,675.40; consisting of tax of \$1,255.03; interest of \$294.19; and a late-filing penalty of \$125.58.

The Taxpayer's dispute on appeal is with the final assessment for Marshall County lodgings tax. Specifically, the Taxpayer asks the Tax Tribunal for "reconsideration" – or a waiver – of the tax, interest, and late-filing penalty because the Taxpayer states that it was unaware of the tax and, thus, that it had not collected the tax from its guests.

There is no provision in law that allows the Tax Tribunal to waive a tax liability, and the Taxpayer has cited no such provision. Instead concerning an appeal involving a final assessment, the Tax Tribunal "may increase or decrease the assessment to reflect the *correct amount due*." Ala. Code § 40-2A-7(b)(5)d.1 (emphasis added). Waiving amounts of tax that should have been collected and remitted would not reflect the "correct amount due." Nor does the Tax Tribunal have the authority to waive interest. *See* § 40-1-44.

During the trial, the Revenue Department agreed to a waiver of penalties included in the final assessments in issue. Therefore, the penalties are waived.

The final assessment of consumer's use tax is upheld in the amount of \$1,549.82, plus additonal interest that continues to accrue from the date of the final

assessment until the liability is paid in full.

The final assessment of state lodgings tax is upheld in the amount of \$704.71, plus additional interest that continues to accrue from the date of the final assessment until the liability is paid in full.

The final assessment of local lodgings tax is upheld in the amount of \$41,940.79, plus additional interest that continues to accrue from the date of the final assessment until the liability is paid in full.

Judgment is entered accordingly.

This Final Order may be appealed to circuit court within 30 days, pursuant to Ala. Code § 40-2B-2(m).

Entered August 6, 2025.

/s/ Jeff Patterson
JEFF PATTERSON
Chief Judge
Alabama Tax Tribunal

jp:ml

cc: Roger E. Watson Jr. CPA
United Hotel Group, LLC
Hilary Y. Parks, Esq.