



This Week in State Tax (TWIST)

April 29, 2024



To listen to the podcast please [click here](#)

Alabama: New Additional 10 Percent Sales Tax Applies to Adult Website Sales

As part of a comprehensive bill designed to prevent minors from being exposed to and becoming addicted to pornography, Alabama House Bill 164 imposes an additional tax on the gross receipts of businesses selling material harmful to minors. Specifically, a new 10 percent tax is imposed on the gross receipts of any commercial entity operating an adult website for all sales, distributions, memberships, subscriptions, performances, and all other content amounting to material harmful to minors that is produced, sold, filmed, generated, or otherwise based in Alabama. An "adult website" is a website, application, or digital or virtual platform that uses the Internet to facilitate the dissemination of pictures, videos, or other content, a substantial portion of which is sexual material harmful to minors. The term "harmful to minors" is defined with reference to the criminal code and means that (1) the average person, applying contemporary community standards, would find that the material, taken as a whole, appeals to the prurient interest of minors; and (2) the material depicts or describes sexual conduct, breast nudity or genital nudity, in a way which is patently offensive to prevailing standards in the adult community with respect to what is suitable for minors, and (3) a reasonable person would find that the material, taken as a whole, lacks serious literary, artistic, political or scientific value for minors.

Effective September 1, 2025, the additional tax will be collected by the Alabama Department of Revenue at the same time and in the same manner as state sales and use taxes are collected. Revenue generated from the tax will be spent for the care and treatment of individuals with behavioral health needs, including prevention, treatment, and recovery services and supports. Please contact [Sarah McGahan](#) with questions on Alabama House Bill 164.

Learn about us:



[kpmg.com](https://www.kpmg.com)