

1 SB27  
2 146187-2  
3 By Senator Keahey  
4 RFD: Finance and Taxation General Fund  
5 First Read: 05-FEB-13  
6 PFD: 12/07/2012

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8 SYNOPSIS: Under existing law, prior to the enactment  
9 of Act 2012-313, persons permanently and totally  
10 disabled were exempt from all state and local ad  
11 valorem taxes.

12 Act 2012-313 established a threshold  
13 requirement that persons permanently and totally  
14 disabled residing in a household with taxable  
15 income of less than \$12,000 qualify for certain  
16 homestead exemptions.

17 This bill would remove the income limitation  
18 for persons permanently and totally disabled to  
19 receive these certain homestead exemptions.

20 This bill would provide that the provisions  
21 of this act would be retroactive to August 1, 2012,  
22 the effective date of Act 2012-313.

23  
24 A BILL  
25 TO BE ENTITLED  
26 AN ACT

1  
2 Relating to ad valorem tax exemptions on homesteads  
3 and principal residences; to amend Section 40-9-21 of the Code  
4 of Alabama 1975, as last amended by Act 2012-313, 2012 Regular  
5 Session, relating to homestead exemptions and exemptions on  
6 principal residences, to restore the exemption for persons  
7 permanently or totally disabled; and to provide for the  
8 retroactive application of the above provisions and for the  
9 implementation of this act.

10 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

11 Section 1. Section 40-9-21 of the Code of Alabama  
12 1975, as last amended by Act 2012-313, House Bill 120 of the  
13 2012 Regular Session, is amended to read as follows:

14 "§40-9-21.

15 "(a) In addition to the persons and property exempt  
16 from ad valorem taxation as prescribed in Section 40-9-1, the  
17 principal residence and 160 acres adjacent thereto shall be  
18 exempt from ad valorem taxation for any of the following:

19 "(1) Any resident of this state who is retired  
20 because he or she is permanently and totally disabled. or

21 "(2) Any resident of this state who is 65 years of  
22 age or older, provided the net annual taxable income ~~for~~ of  
23 the person claiming the exemption and that of his or her  
24 spouse is twelve thousand dollars (\$12,000) or less, as shown  
25 on such person's and spouse's latest United States income tax  
26 return or some other appropriate evidence acceptable to the

1 department. In the event that such person and spouse are not  
2 required to file a United States income tax return, then an  
3 affidavit indicating that the net taxable income of such  
4 person and spouse for the preceding taxable year was twelve  
5 thousand dollars (\$12,000) or less shall be sufficient proof.  
6 Proof of age shall be required for an exemption claimed by  
7 residents over the age of 65.

8 "(b) Proof of total disability may be, but shall not  
9 be limited to, the written certification of such total  
10 disability by any two physicians licensed to practice in this  
11 state. Any person who is drawing any pension or annuity from  
12 the armed services or a company or governmental agency because  
13 he or she is permanently and totally disabled shall  
14 automatically be granted a certificate of permanent and total  
15 disability by the department.

16 "(c) In order to qualify for an exemption under this  
17 section, such principal residence must be a single-family  
18 residence owned and occupied by a person qualifying under this  
19 section.

20 "~~(b)~~ (d) The department shall by rule establish the  
21 criteria and proof required for an exemption based upon a  
22 person being permanently and totally disabled and shall issue  
23 certificates of disability to any person that meets such  
24 criteria and provides the required proof. Any person who is  
25 drawing any pension or annuity from the armed services, a  
26 private company, or any governmental agency because he or she

1 is permanently and totally disabled shall automatically be  
2 granted a certificate of permanent and total disability by the  
3 department."

4 Section 2. (a) The provisions of Section 1 of this  
5 act are retroactive to August 1, 2012, and shall apply to the  
6 tax year beginning October 1, 2012.

7 (b) Any persons claiming an exemption under Section  
8 40-9-21, Code of Alabama 1975, as amended by this act, for the  
9 tax year beginning October 1, 2012, may claim any exemption  
10 prior to August 1, 2013.

11 Section 3. This act shall become effective  
12 immediately following its passage and approval by the  
13 Governor, or its otherwise becoming law.