

1 SB36  
2 164298-1  
3 By Senator Holley  
4 RFD: Finance and Taxation Education  
5 First Read: 03-MAR-15  
6 PFD: 02/20/2015

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8 SYNOPSIS: This bill would change the Alabama New  
9 Markets Development Act to allow the Governor to  
10 award via executive order an additional \$5 Million  
11 to the existing cap of \$20 Million and to provide  
12 further for the allocation of the tax credits

13  
14 A BILL  
15 TO BE ENTITLED  
16 AN ACT

17  
18 Amending the annual state cap limits to allow the  
19 Governor to issue additional credits relating to the Alabama  
20 New Markets Development Act and to provide further for the  
21 allocation of the tax credits.

22 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

23 Section 1. Section 41-9-219.2, Code of Alabama 1975,  
24 is amended to read as follows:

25 "§41-9-219.2

26 Once the department has certified a cumulative  
27 amount of qualified equity investments that can result in the

1 utilization of twenty million dollars (\$20,000,000) of tax  
2 credits in any tax year, the department may not certify any  
3 more qualified equity investments under Section  
4 41-9-219.3. This limitation shall be based on the scheduled  
5 utilization of tax credits without regard to the potential for  
6 taxpayers to carry forward tax credits to later tax years. The  
7 Governor may award an additional five million dollars  
8 (\$5,000,000) of tax credits via an executive order. The  
9 additional allocation is only available to Community  
10 Development Entities (CDEs) that are based in Alabama. The CDE  
11 shall be qualified following the guidelines described in  
12 Section 45D of the Internal Revenue Code of 1986 as amended,  
13 although not required to have received an allocation from the  
14 the Community Development Financial Institutions Fund  
15 (CDFI). The application process as described in Section  
16 41-9-219.3 will remain in effect.

17 Section 2. All laws or parts of laws that conflict  
18 with this act are hereby repealed.

19 Section 3. The provisions of this act are severable.  
20 If any part of this act is declared invalid or  
21 unconstitutional, that declaration shall not affect the part  
22 which remains.

23 Section 4. This act shall become effective for all  
24 taxable years beginning after December 31, 2015, following its  
25 passage and approval by the Governor, or upon its otherwise  
26 becoming law.