



FISCAL NOTE

House Bill 175

Committee: Ways and Means Education

Sponsor: Representative Danny Garrett

Analyst: JT Mathis

Date: 05/24/2023

House Bill 175 as reported by the Committee on Ways and Means Education would increase the obligations of the Education Trust Fund by an estimated \$546 million for fiscal year 2023 by providing a one-time refundable income tax credit check to certain qualified individual income taxpayers to partially offset the amount of sales tax paid on groceries in an amount equal to: (1) \$210 for taxpayers that are married filing separate, head of family, or single; or (2) \$420 for taxpayers that are married filing jointly. This bill would provide that this tax credit shall not constitute taxable income for Alabama income tax purposes.

Further, this bill would increase the administrative obligations of the Department by an estimated \$1.1 million to mail these tax credit checks to approximately 1.9 million taxpayers within 90 days of the effective date of this bill.