



## FISCAL NOTE

### Senate Bill 86

Committee: Finance and Taxation Education      Sponsor: Senator Arthur Orr

Analyst: JT Mathis

Date: 05/03/2023

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**Senate Bill 86** as reported by the Committee on Finance and Taxation Education would provide a one-time tax refundable income tax credit to partially offset the amount of sales tax paid on groceries for certain qualified taxpayers who have filed an individual income tax return for the 2021 taxable year. This bill provides that the amount of the tax credit shall be equal to \$105 for taxpayers that are married filing separate, head of family, or single and \$210 for taxpayers that are married filing jointly and shall not constitute taxable income for Alabama income tax purposes.

According to the Department of Revenue, this would increase the obligations of the Education Trust Fund by an estimated \$273 million for fiscal year 2023 only.

Further, this bill would increase the administrative obligations of the Department by an estimated \$1.1 million to mail one-time tax credit checks to approximately 1.9 million qualified individual taxpayers.