### HB175 ENGROSSED



- 1 OZQ3MM-2
- 2 By Representative Garrett
- 3 RFD: Ways and Means Education
- 4 First Read: 21-Mar-23
- 5 2023 Regular Session

## HB175 Engrossed



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5	A BILL
6	TO BE ENTITLED
7	AN ACT
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9	Relating to income taxes; to provide a one-time
10	refundable income tax credit to qualified taxpayers to
11	partially offset the amount of sales taxes paid on groceries
12	throughout the tax year; to create the Refundable Tax Credit
13	Fund in the State Treasury; to provide that refundable credits
14	would not be taxable for Alabama income tax purposes; and to
15	provide an effective date.
16	BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:
17	Section 1. In addition to any other transfers that may
18	be provided by law, the State Comptroller shall direct from the
19	Education Trust Fund to the Refundable Tax Credit Fund the
20	amount needed to make the payments of the one-time refundable
21	tax credit provided for in Section 2 of this act, as well as
22	the amount necessary to offset the administrative cost for the
23	implementation of this act to the Department of Revenue.
24	Section 2. (a) As used in this section, the term
25	qualified taxpayer means an individual taxpayer who filed an
26	Alabama individual income tax return pursuant to the tax levied
27	in Section 40-18-5, Code of Alabama 1975, on or before October

17, 2022, for the taxable year that began on January 1, 2021,

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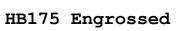


- 29 including any extensions which have been granted. The term
- 30 shall not include:
- 31 (1) A nonresident.
- 32 (2) An estate or trust.
- 33 (3) An individual who was claimed as a dependent by
  34 another taxpayer for federal or Alabama income tax purposes for
  35 the taxable year that began on January 1, 2021.
- 36 (b) Each qualified taxpayer is entitled to a one-time 37 refundable income tax credit to partially offset the amount of 38 sales tax paid on groceries in the taxable year in an amount 39 based on the qualified taxpayer's filing status for the taxable 40 year that began January 1, 2021, equal to:
- 41 (1) \$210 for single, head of family, and married filing 42 separate.
- 43 (2) \$420 for married filing joint.
- (c) The refundable income tax credit shall be 44 45 electronically deposited into the bank account of the qualified 46 taxpayer based on the appropriate information as indicated on 47 the return for the taxable year that began January 1, 2021; 48 except for any qualified taxpayer that the Department of 49 Revenue does not have bank account information, in which case 50 the refundable income tax credit shall be mailed by check to 51 the qualified taxpayer.
- 52 (d) The Alabama Department of Revenue shall commence 53 issuing refundable income tax credits no sooner than November 54 30, 2023.
- (e) The refundable income tax credit shall not constitute taxable income for Alabama income tax purposes. The

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- 57 refundable income tax credit provided under this section shall
- not be subject to offset or debt collection against any
- 59 liability.
- (f) In no event shall the refundable income tax credit
- 61 provided accrue interest for the benefit of the qualified
- taxpayer or be paid or credited to the qualified taxpayer with
- 63 interest.
- (g) The Department of Revenue may adopt rules for the
- implementation and administration of this act.
- 66 Section 3. It is not the intent of this act to make
- appropriations, but the funding required to implement this act
- 68 shall be made in a supplemental appropriations act.
- Section 4. This act shall become effective immediately
- 70 following its passage and approval by the Governor, or its
- 71 otherwise becoming law.





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House of Representatives

7 4	nouse of Replesentatives
75 76 77 78 79	Read for the first time and referred
80	Read for the second time and placed24-May-23
81	on the calendar:
82	0 amendments
83	
84	Read for the third time and passed25-May-23
85	as amended
86	Yeas 101
87	Nays 0
88	Abstains 0
89	
90	
91	John Treadwell
92	Clerk
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