

HB175 ENROLLED



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



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1 Enrolled, An Act,

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4 Relating to income taxes; to provide a one-time
5 refundable income tax credit to qualified taxpayers to
6 partially offset the amount of sales taxes paid on groceries
7 throughout the tax year; to create the Refundable Tax Credit
8 Fund in the State Treasury; to provide that refundable credits
9 would not be taxable for Alabama income tax purposes; and to
10 provide an effective date.

11 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

12 Section 1. In addition to any other transfers that may
13 be provided by law, the state Comptroller shall direct from the
14 Education Trust Fund to the Refundable Tax Credit Fund the
15 amount needed to make the payments of the one-time refundable
16 tax credit provided for in Section 2 of this act, as well as
17 the amount necessary to offset the administrative cost for the
18 implementation of this act to the Department of Revenue. The
19 fund may accrue interest that shall be used to offset the
20 administrative costs associated with the implementation of this
21 act.

22 Section 2. (a) As used in this section, the term
23 "qualified taxpayer" means an individual taxpayer who filed an
24 Alabama individual income tax return pursuant to the tax levied
25 in Section 40-18-5, Code of Alabama 1975, on or before October
26 17, 2022, for the taxable year that began on January 1, 2021,
27 including any extensions which have been granted. The term
28 shall not include:



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29 (1) A nonresident.

30 (2) An estate or trust.

31 (3) An individual who was claimed as a dependent by
32 another taxpayer for federal or Alabama income tax purposes for
33 the taxable year that began on January 1, 2021.

34 (b) Each qualified taxpayer is entitled to a one-time
35 refundable income tax credit to partially offset the amount of
36 sales tax paid on groceries in the taxable year in an amount
37 based on the qualified taxpayer's filing status for the taxable
38 year that began on January 1, 2021, equal to:

39 (1) \$150 for single, head of family, and married filing
40 separate.

41 (2) \$300 for married filing joint.

42 (c) The refundable income tax credit shall be
43 electronically deposited into the bank account of the qualified
44 taxpayer based on the appropriate information as indicated on
45 the return for the taxable year that began on January 1, 2021;
46 except for any qualified taxpayer of which the Department of
47 Revenue does not have bank account information, in which case
48 the refundable income tax credit shall be mailed by check to
49 the qualified taxpayer.

50 (d) The Alabama Department of Revenue shall commence
51 issuing refundable income tax credits no sooner than November
52 30, 2023.

53 (e) The refundable income tax credit shall not
54 constitute taxable income for Alabama income tax purposes. The
55 refundable income tax credit provided under this section shall
56 not be subject to offset or debt collection against any



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57 liability.

58 (f) In no event shall the refundable income tax credit
59 provided accrue interest for the benefit of the qualified
60 taxpayer or be paid or credited to the qualified taxpayer with
61 interest.

62 (g) The Department of Revenue may adopt rules for the
63 implementation and administration of this act.

64 Section 3. It is not the intent of this act to make
65 appropriations, but the funding required to implement this act
66 shall be made in a supplemental appropriations act.

67 Section 4. In the event this act and Senate Bill 86 are
68 both enacted during the 2023 Regular Session, the refundable
69 income tax credit provided by this act shall prevail and the
70 refundable income tax credit in Senate Bill 86 shall be
71 inoperable.

72 Section 5. This act shall become effective immediately
73 following its passage and approval by the Governor, or its
74 otherwise becoming law.

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Speaker of the House of Representatives

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in and was passed by the House 25-MAY-23, as amended.

John Treadwell
Clerk

Senate **01-Jun-23**

Passed

House **01-Jun-23**

Concurred in
Senate Amendment