

HB445 INTRODUCED



1 THGP95-1
2 By Representatives Garrett, Baker
3 RFD: Ways and Means Education
4 First Read: 09-May-23
5
6 2023 Regular Session



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SYNOPSIS:

Under existing law, in Act 2023-34 of the 2023 Regular Session, the Sweet Home Alabama Tourism Investment Act was established to provide tax rebates for certain eligible tourism destination projects.

This bill would clarify that tax rebates would be available only for projects placed into service after the effective date of the act.

A BILL
TO BE ENTITLED
AN ACT

Relating to the Sweet Home Alabama Tourism Investment Act; to amend Section 5 of Act 2023-34 of the 2023 Regular Session, now appearing as Sections 40-18-472 and 40-18-473, Code of Alabama 1975, to clarify the tax rebates for certain businesses for certified tourism destination projects are only available for projects placed into service after the effective date of the act.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 5 of Act 2023-34 of the 2023 Regular Session, now appearing as Sections 40-18-472 and 40-18-473, Code of Alabama 1975, is amended to read as follows:



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29 §40-18-472

30 (a) In order for an applicant to be an approved
31 company, all of the following shall occur:

32 (1) For any applicant that proposes a certified tourism
33 destination project, the board shall make all of the following
34 findings:

35 a. That the project is in fact a certified tourism
36 destination project.

37 b. That the amount of tourism rebates sought are
38 exceeded by anticipated revenues for the state, including
39 income, property, business privilege, utility, gross receipts,
40 sales, and use tax revenues that are generated by the economic
41 activity resulting from the project.

42 (b) The Alabama Tourism Advisory Board shall review
43 qualifying projects meeting the criteria established pursuant
44 to Section 40-18-473 and approve eligible projects for tax
45 rebates. Upon a determination that all program requirements
46 are met, the board will issue the Alabama Tourism Advisory
47 Board Act Certificate. Each certificate shall include the
48 amount of the approved project costs, the maximum rebate
49 available, and the rebate term of 10 years ~~with a five-year~~
50 ~~carry forward~~ from the completion date or the date on or which
51 five million dollars (\$5,000,000) of the approved project
52 costs has been rebated to the applicant, whichever threshold
53 is met first.

52 §40-18-473

53 (a) A tax rebate from taxes generated within the
54 tourism destination attraction by the certified tourism



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57 destination project over a 10-year period from the
58 commencement of operation, which must occur after the
59 effective date of the act adding this language, in the amount
60 of up to five million dollars (\$5,000,000) may be claimed. No
61 approved company may receive more than one million dollars
62 (\$1,000,000) in tourism rebates in a calendar year.

63 ~~(b) Tax rebates may carry forward for five years.~~

64 ~~(e)~~ (b) (1) The tax rebates authorized by this act are
65 limited to an aggregate amount for all certified tourism
66 destination projects of ten million dollars (\$10,000,000)
67 annually with 10 percent set aside annually for certified
68 tourism destination projects located in targeted or Alabama
69 counties.

70 (2) An approved company with a certified tourism
71 destination project may be granted a tax rebate on any
72 combination of the state and local sales and use taxes,
73 lodging taxes, or other transactional taxes generated by or
74 arising within the tourism destination project after the
75 effective date of the act adding this language.

76 (3) An approved company shall have no obligation to
77 refund or otherwise return any amount of taxes authorized for
78 rebate to the persons from whom the taxes were collected.

79 (4) Rebates authorized under this article shall be for
80 up to 10 years, commencing on the date the tourism attraction
81 opens for business, which must occur after the effective date
82 of the act adding this language, and begins to collect taxes
83 generated by, or arising within, the tourism destination
84 project.



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85 (5) Tax rebates may be a combination of state and local
86 retail sales tax, state and local lodging taxes, and any other
87 taxes generated by, or arising within, the tourism destination
88 project after the effective date of the act adding this
89 language. The municipality or the taxing district where the
90 tourism destination project will be located must support and
91 approve the facility. The approval must be in the form of a
92 resolution of the governing authority acknowledging support of
93 the project and acknowledging that a portion no less than 20
94 percent of the tax rebates will be comprised of municipal
95 taxes.

95 (6) The Alabama Department of Revenue, in consultation
96 with the Alabama Tourism Department, shall adopt rules and
97 require the filing of a rebate form designed by the Department
98 of Revenue to reflect the intent of this article. To begin the
99 rebate process, once project phases open for business after
100 the effective date of the act adding this language, the
101 approved company must provide a listing of all sales tax
102 accounts and account numbers related to the project. The
103 Alabama Department of Revenue will provide these accounts and
104 will begin making the required diversions into the Tourism
105 Project Sales Tax Incentive Fund the month following
106 notification. Rebate payments from the fund will be made each
107 January and July to the approved company.

107 (7) No tax rebate shall be granted to an approved
108 company during a tax year that the approved company is
109 simultaneously receiving any other state tax incentive
110 associated with any individual tourism attraction project.



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113 (8) Any tax rebate shall be first applied to any
114 outstanding tax obligation of the approved company that is due
115 and payable to the state.

116 (9) Rebates under this article shall be made without
117 interest.

118 (10) Tax rebates authorized under this article are
119 transferrable to future owners of the qualifying tourism
120 destination project.

121 (11) The tax rebate allowed under this article shall be
122 effective beginning August 1, 2023, for projects placed into
123 service after the effective date of the act adding this
124 language, and shall continue through July 31, 2028, unless
125 continued by an act of the Legislature.

126 (12) Tax rebates for certified tourism destination
127 projects are to be administered by the Alabama Department of
128 Revenue.

128 ~~(d)~~ (c) Notwithstanding the ten million dollar
129 (\$10,000,000) annual cap on tax rebates allowed, the board may
130 approve an annual onetime designation of an additional two
131 million five hundred thousand dollars (\$2,500,000) in tax
132 rebates for one project per calendar year with a minimum
133 capital investment amount of seventy-five million dollars
134 (\$75,000,000).

135 Section 2. This act shall become effective immediately
136 following its passage and approval by the Governor, or its
137 otherwise becoming law.
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