

SB234 INTRODUCED



1 D19XNT-1
2 By Senators Coleman, Figures, Stewart, Coleman-Madison,
3 Singleton, Smitherman, Hatcher (Constitutional Amendment)
4 RFD: Finance and Taxation Education
5 First Read: 20-Apr-23
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SYNOPSIS:

Under existing law, federal income taxes are deductible from gross income prior to computation of Alabama income tax liability.

Also under existing law, the state levies sales taxes upon the sale of food items.

This bill would propose an amendment to the Constitution of Alabama of 2022, relating to the elimination of the deductibility of federal income taxes from Alabama gross income for individual taxpayers; and to remove the state sales tax on food items.

A BILL
TO BE ENTITLED
AN ACT

Relating to income tax and sales tax; proposing an amendment to Section 211.04 of the Constitution of Alabama of 2022, to eliminate the state income tax deduction for federal income taxes for individual taxpayers; and to eliminate the state sales tax on food.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. The following amendment to the Constitution



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29 of Alabama of 2022, is proposed and shall become valid as a
30 part of the constitution when approved by a majority of the
31 qualified electors voting thereon and in accordance with
32 Sections 284, 285, and 287 of the Constitution of Alabama of
33 2022:

PROPOSED AMENDMENT

34
35 (a) Section 211.04 of the Constitution of Alabama of
36 2022, is repealed.

37 (b) Effective for all tax years beginning after
38 December 31, 2023, federal income taxes shall no longer be
39 allowed to be deducted in computing income subject to the
40 state individual income tax.

41 (c) Beginning January 1, 2024, the sale of food shall
42 be exempt from state sales tax. The sale of food to
43 corporations, S corporations, and limited liability entities,
44 as defined in Section 40-14A-1, Code of Alabama of 1975, shall
45 not be exempt from state sales tax. For purposes of this
46 amendment, "food" is defined in 7 U.S.C § 2011, et seq., for
47 the purposes of the federal Supplemental Nutrition Assistance
48 Program, regardless of where or by what means food is sold. In
49 the event that the federal Supplemental Nutrition Assistance
50 Program definition no longer exists, the Legislature shall
51 provide a new definition of "food" by general law.

52 Upon ratification of this constitutional amendment, the
53 Code Commissioner shall number and place this amendment as
54 appropriate in the constitution omitting this instructional
55 paragraph and may make the following nonsubstantive revisions:
56 change capitalization, spelling, and punctuation for purposes



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57 of style and uniformity; correct manifest grammatical,
58 clerical, and typographical errors; and correct incorrect
59 cross-references.

60 Section 2. An election upon the proposed amendment
61 shall be held in accordance with Sections 284 and 285 of the
62 Constitution of Alabama of 2022, and the election laws of this
63 state.

64 Section 3. The appropriate election official shall
65 assign a ballot number for the proposed constitutional
66 amendment on the election ballot and shall set forth the
67 following description of the substance or subject matter of
68 the proposed constitutional amendment:

69 "Proposing an amendment to the Constitution of Alabama
70 of 2022, to the "Tax Fairness Amendment of 2023," which would
71 remove the four percent state sales tax on food and remove the
72 individual income tax deduction for federal income taxes paid
73 or accrued.

74 Proposed by Act ____."

75 This description shall be followed by the following
76 language:

77 "Yes() No()."