

SB86 ENGROSSED



1 P1PUEE-2
2 By Senator Orr
3 RFD: Finance and Taxation Education
4 First Read: 21-Mar-23
5
6 2023 Regular Session



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A BILL
TO BE ENTITLED
AN ACT

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

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. In addition to any other transfers that may be provided by law, the State Comptroller shall direct from the Education Trust Fund to the Refundable Tax Credit Fund the amount needed to make the payments of the one-time refundable tax credit provided for in Section 2 of this act, as well as the amount necessary to offset the administrative cost for the implementation of this act to the Department of Revenue.

Section 2. (a) As used in this section, the term qualified taxpayer means an individual taxpayer who filed an Alabama individual income tax return pursuant to the tax levied 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) \$105 for single, head of family, and married filing
42 separate.

43 (2) \$210 for married filing joint.

44 (c) The refundable income tax credit shall be sent by
45 check to the qualified taxpayer based on the appropriate
46 information as indicated on the return for the taxable year
47 that began January 1, 2021.

48 (d) The Alabama Department of Revenue shall commence
49 issuing refundable income tax credits no later than 90 days
50 after the effective date of this Act.

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

56 (f) In no event shall the refundable income tax credit



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57 provided accrue interest for the benefit of the qualified
58 taxpayer or be paid or credited to the qualified taxpayer with
59 interest.

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

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

65 Section 4. This act shall become effective immediately
66 following its passage and approval by the Governor, or its
67 otherwise becoming law.

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70 Senate

71 Read for the first time and referred21-Mar-23
72 to the Senate committee on Finance
73 and Taxation Education
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75 Read for the second time and placed03-May-23
76 on the calendar:
77 0 amendments
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79 Read for the third time and passed04-May-23
80 as amended
81 Yeas 30
82 Nays 3
83 Abstains 0

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Patrick Harris,
Secretary.