

**SB86 ENROLLED**



1 P1PUEE-3  
2 By Senator Orr  
3 RFD: Conference Committee on SB86  
4 First Read: 21-Mar-23  
5 2023 Regular Session



## SB86 Enrolled

1 Enrolled, An Act,

2  
3 Relating to income taxes; to provide a one-time  
4 refundable income tax credit to qualified taxpayers to  
5 partially offset the amount of sales taxes paid on groceries  
6 throughout the tax year; to create the Refundable Tax Credit  
7 Fund in the State Treasury; to provide that refundable credits  
8 would not be taxable for Alabama income tax purposes; and to  
9 provide an effective date.

10 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

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

28 (1) A nonresident.



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29 (2) An estate or trust.

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

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

38 (1) \$150 for single, head of family, and married filing  
39 separate.

40 (2) \$300 for married filing joint.

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

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

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



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

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

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

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



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President and Presiding Officer of the Senate

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Speaker of the House of Representatives

SB86

Senate 04-May-23

I hereby certify that the within Act originated in and passed the Senate, as amended.

Senate 25-May-23

I hereby certify that the within Act originated in and passed the Senate, as amended by Conference Committee Report.

Patrick Harris,  
Secretary.

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House of Representatives  
Amended and passed: 25-May-23

House of Representatives  
Passed 25-May-23, as amended by Conference Committee Report.

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By: Senator Orr