



**House Ways and Means Education Reported Substitute
for HB124**

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A BILL
TO BE ENTITLED
AN ACT

Relating to taxation; to provide an exemption for up to twenty-five thousand dollars (\$25,000) of agricultural fencing materials from the sales and use tax; and to provide a sunset date.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. (a) For a period commencing October 1, 2024, and ending September 30, 2029, up to twenty-five thousand dollars (\$25,000) of the gross proceeds from the sale of fencing materials such as t-posts, wood posts, barbed wire, net wire, smooth wire, standard metal gates, and other like materials used for the purpose of fencing in agriculture livestock applications are exempt from the sales and use tax as provided for in Sections 40-23-2 and 40-23-61, Code of Alabama 1975. The exemption provided in this subdivision shall not apply to county or municipal sales and use taxes unless approved by resolution or ordinance adopted by the local governing body.

(b) To qualify for the exemption, a retail purchaser shall provide to a seller an affidavit confirming the purchased material is strictly for an agriculture livestock



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29 application. The affidavit shall relieve the seller of the
30 obligation to collect the tax under Chapter 23 of Title 40,
31 Code of Alabama 1975, with respect to the sale of such
32 materials. The Department of Revenue shall make the affidavit
33 available to sellers.

34 Section 2. This act shall become effective on October
35 1, 2024.