



FISCAL NOTE

House Bill 346

Committee: Ways and Means Education

Sponsor: Representative Cynthia Almond

Analyst: Jennifer Farish

Date: 04/09/2024

House Bill 346 as introduced could decrease receipts to the State General Fund and Education Trust Fund by a cumulative maximum of \$5 million annually, beginning in Fiscal Year 2025, by creating the non-refundable Alabama Workforce Housing Tax Credit to be awarded by the Alabama Housing Finance Authority to the owner of certain low-income building projects in an amount determined by the authority, but capped at \$2 million annually per project. This bill provides that the credit may be: 1) claimed against insurance retaliatory tax, insurance premium tax, the state-portion of the financial institution excise tax, or income tax; 2) claimed for up to 10 years; and 3) carried forward for up to five years.

This bill would also require the authority to reserve 20% to 25% of the annual cap for rural areas. Additionally, this bill would increase the administrative obligations of the Department of Revenue to enact rules to implement the provisions of this bill.