



FISCAL NOTE

House Bill 346

Committee: Finance and Taxation Education Sponsor: Representative Cynthia Almond

Analyst: Jennifer Farish

Date: 04/29/2024

House Bill 346 as passed the House of Representatives 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 and the Department of Insurance to enact rules to implement the provisions of this bill.