

HB283 INTRODUCED



1 HB283
2 J18CYNF-1
3 By Representatives Paschal, Robertson, Harrison, Oliver,
4 Starnes
5 RFD: Ways and Means Education
6 First Read: 05-Mar-24



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SYNOPSIS:

Under current law, compensation for active service members of the armed forces of the United States in a combat zone is not subject to state income tax.

This bill would expand this exemption to include certain compensation of members of the National Guard and Reserve and those members who are deployed to locations outside the United States or activated to support state or federal response to emergencies within or outside of the United States.

A BILL
TO BE ENTITLED
AN ACT

Relating to income tax; to amend Section 40-18-3, Code of Alabama 1975, to expand the current state income tax exemption for military pay to include certain compensation of members of the National Guard and Reserve and those members who are deployed to locations outside the United States or activated to support certain emergencies.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 40-18-3, Code of Alabama 1975, is



HB283 INTRODUCED

29 amended to read as follows:

30 "§40-18-3

31 The salaries, fees, commissions or other income of
32 officers or agents of the United States or its agencies and
33 instrumentalities or its contractees, received from the United
34 States or from its agencies and instrumentalities, shall be
35 subject to income taxes levied by the State of Alabama as
36 other income is taxed, but without discrimination, and only to
37 the same extent and in the same manner as other income is
38 taxed, insofar as the State of Alabama may be constitutionally
39 or legally authorized to tax such income; provided, that money
40 paid by the United States to a person as compensation for
41 active service as a member of the armed forces of the United
42 States, including members of the National Guard and Reserve
43 components, in a combat zone designated by executive order of
44 the President of the United States, deployed to locations
45 outside the United States, or activated by the Governor of the
46 State of Alabama or the President of the United States to
47 support state or federal response to emergencies within or
48 outside of the United States shall not be subject to income
49 taxes levied by the State of Alabama ~~for the calendar year~~
50 ~~1965 or any subsequent year.~~"

51 Section 2. This act shall become effective on January
52 1, 2025.