

HB380 ENROLLED



1 HB380
2 ZM94RRK-2
3 By Representative Lovvorn
4 RFD: Ways and Means Education
5 First Read: 21-Mar-24



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1 Enrolled, An Act,

2 Relating to income tax credits; to amend Section
3 40-18-111, Code of Alabama 1975, to extend the existing tax
4 credit on the construction, acquisition, or installation of a
5 qualified storm shelter.

6 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

7 Section 1. Section 40-18-111, Code of Alabama 1975, is
8 amended to read as follows:

9 "§40-18-111

10 (a) As used in this article, the following terms ~~shall~~
11 have the following meanings:

12 (1) MANUFACTURED HOME. Any structure built to the
13 Manufactured Home Construction and Safety Standards which
14 displays a red certification label on the exterior of each
15 transportable section.

16 (2) PRIMARY RESIDENCE. Any manufactured home or single
17 family residence building that is the full-time legal
18 residence of the taxpayer and is used for purposes of the
19 taxpayer's income tax calculation.

20 (3) QUALIFIED STORM SHELTER. A storm shelter or safe
21 room to which all of the following apply:

22 a. The design is capable of withstanding an EF5
23 tornado.

24 b. The shelter or room is placed in service as an
25 attachment to the taxpayer's primary residence, or on the same
26 lot or parcel as the primary residence, and no other qualified
27 storm shelter is attached to the primary residence or on the
28 lot.



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29 c. The shelter or room meets or exceeds the most recent
30 Federal Emergency Management Agency minimum criteria for the
31 design, construction, and operation of residential safe rooms.

32 d. The shelter or room is built on the site of the
33 taxpayer's primary residence or is manufactured offsite and
34 installed on the site of the taxpayer's primary residence.

35 (4) SINGLE FAMILY RESIDENCE BUILDING. A structure
36 designed according to the International Residential Codes or
37 its predecessor codes.

38 (b) An Alabama income tax credit is established for
39 eligible taxpayers who incur costs for the construction,
40 acquisition, or installation of a qualified storm shelter at
41 their primary residence in the state. The tax credit shall
42 equal three thousand dollars (\$3,000) or 50 percent of the
43 total cost of the construction, acquisition, and installation
44 of the qualified storm shelter at the primary residence,
45 whichever is less. The total costs for purposes of the tax
46 credit calculation under this subsection shall exclude any
47 costs reimbursed or expected to be reimbursed by any other
48 entity including, but not limited to, insurance
49 reimbursements, grants, or other government subsidies or
50 incentives. The tax credit must be ~~taken~~applied for and
51 claimed in the tax year in which the taxpayer was issued a tax
52 credit certificate under subsection (f).

53 (c) The tax credit issued under this article may not
54 decrease a taxpayer's tax liability to less than zero. If the
55 tax liability of the taxpayer is less than the tax credit
56 issued under this article, the taxpayer may only utilize the



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57 amount of the credit that reduces the taxpayer liability to
58 zero. The tax credit is not refundable nor transferable and
59 may not be carried forward. A taxpayer applying for the tax
60 credit shall only apply for the tax credit for the year in
61 which the qualified storm shelter was acquired, constructed,
62 or installed, regardless of the tax liability of the taxpayer.

63 (d) The Department of Revenue shall grant the tax
64 credit against the state income tax that is due by the
65 taxpayer holding the tax credit certificate issued under
66 subsection (f) in the amount stated on the tax credit
67 certificate, subject to the limitations of subsection (c). The
68 department may audit and reassess any credit improperly
69 obtained by the taxpayer, in accordance with the Alabama
70 Taxpayers' Bill of Rights and Uniform Revenue Procedures Act
71 under Chapter 2A.

72 (e) The tax credit authorized by this article is
73 limited to an aggregate amount for all taxpayers of two
74 million dollars (\$2,000,000) annually.

75 (f) Prior to claiming the income tax credit authorized
76 under subsection (b), the taxpayer shall file an annual
77 informational report in a manner prescribed by the Alabama
78 Emergency Management Agency, which includes information
79 reflecting the costs for construction, acquisition, or
80 installation of the qualified storm shelter at the primary
81 residence, along with additional information as required by
82 the Alabama Emergency Management Agency. Following the receipt
83 of all information required by this subsection, the Alabama
84 Emergency Management Agency shall issue a tax credit



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85 certificate to the taxpayer seeking the credit. Tax credit
86 certificates shall be issued on a first come, first served
87 basis until the annual cap provided by subsection (e) is met.
88 In the event the reservations of tax credits equal the total
89 amount available for reservations during the tax year, all
90 eligible taxpayers with applications then awaiting approval or
91 thereafter submitted shall be notified in a manner as
92 prescribed by the Alabama Emergency Management Agency that no
93 additional tax credits shall be granted during that tax year
94 and, notwithstanding ~~subsection (b)~~ any provision of this
95 section to the contrary, shall be allowed to seek a tax credit
96 certificate in the next tax year, subject to the limitations
97 of subsection (c).

98 (g) The Alabama Emergency Management Agency shall
99 prepare a report detailing the number of qualified storm
100 shelters constructed, acquired, and installed and the amount
101 of tax credits claimed under this article. The information on
102 the report shall be consistent with the information required
103 under Section 40-1-50 and rules adopted by the Department of
104 Revenue. Information provided under this section is exempt
105 from the confidentiality provisions of Section 40-2A-10 and
106 shall be provided by the Alabama Emergency Management Agency
107 to the Legislature in accordance with Section 40-1-50 and
108 rules adopted by the Department of Revenue.

109 (h) The Alabama Emergency Management Agency may adopt
110 rules to implement and administer this article.

111 (i) The tax credit allowed under this section shall be
112 effective January 1, 2022, for the 2022 tax year, and shall



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113 continue through the ~~2025~~2028 tax year, unless continued by
114 an act of the Legislature."

115 Section 2. This act shall become effective on October
116 1, 2024.



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Speaker of the House of Representatives

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in and was passed by the House 09-Apr-24.

John Treadwell
Clerk

Senate

30-Apr-24

Passed