

HB163 ENROLLED



1 HB163
2 84W11HF-3
3 By Representative Faulkner
4 RFD: Financial Services
5 First Read: 04-Feb-25



HB163 Enrolled

1 Enrolled, An Act,

2
3 Relating to income tax; to decouple Alabama from the
4 Tax Cuts and Jobs Act (TCJA) amendment, 26 U.S.C. § 174,
5 relating to the amortization of research and experimental
6 expenditures; to allow for such expenditures to follow the
7 provisions of 26 U.S.C § 174 as they existed prior to tax year
8 2022; and to provide for retroactive effect.

9 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

10 Section 1. Effective for tax years beginning on or
11 after January 1, 2024, research and experimental expenditures
12 for Alabama tax purposes under Chapter 16 and Chapter 18 of
13 Title 40, Code of Alabama 1975, shall not follow the
14 provisions of 26 U.S.C § 174, as amended by the Tax Cuts and
15 Jobs Act (TCJA), P.L. 115-97. Taxpayers shall have the option
16 to currently deduct research and experimental expenditures or
17 treat the expenditures as deferred expenses in the same manner
18 as provided in 26 U.S.C § 174 prior to tax year 2022.

19 Section 2. The Department of Revenue may adopt rules
20 for implementation and administration of this act.

21 Section 3. This act shall become effective immediately.



HB163 Enrolled

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 25-Feb-25, as amended.

John Treadwell
Clerk

Senate	_____ 06-May-25	Amended and Passed
House	_____ 06-May-25	Concurred in Senate Amendment