

HB191 INTRODUCED



1 HB191
2 W6QR95E-1
3 By Representatives Baker, Wood (D)
4 RFD: County and Municipal Government
5 First Read: 05-Feb-25



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SYNOPSIS:

Current law exempts the sale of certain goods from state sales and use tax and provides for county and municipalities to exempt these goods from local sales and use taxes by resolution or ordinance.

This bill would provide conditions under which a county or municipality may adopt local sales and use tax exemptions.

A BILL
TO BE ENTITLED
AN ACT

Regarding sales and use tax; to establish conditions for exemption of county or municipal sales and use tax.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. (a) Notwithstanding any other laws to the contrary, any law that enacts or amends a sales and use tax exemption shall apply only to state sales and use taxes and shall not apply to county or municipal sales and use taxes, unless all of the following are satisfied:

- (1) The law provides for exemption of county or municipal sales and use tax.
- (2) The exemption is approved by resolution or



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29 ordinance of the county or municipality. The resolution or
30 ordinance must include all of the following provisions:

31 a. An effective date of September 1 of a given year for
32 the exemption.

33 b. The duration of the exemption, which must be in
34 fiscal year increments or in perpetuity.

35 (3) The county commission or municipality provides
36 notice of the resolution or ordinance to the Alabama
37 Department of Revenue by July 1 prior to the effective date of
38 the exemption.

39 (b) A county or municipality may rescind a county or
40 municipal sales and use tax exemption by resolution or
41 ordinance provided both of the following conditions are met:

42 (1) The rescission is effective beginning on September
43 1 of a given fiscal year.

44 (2) The county commission or municipality provides
45 notice of the resolution or ordinance to the Alabama
46 Department of Revenue by July 1 prior to the effective date of
47 the rescission.

48 (c) (1) This act does not amend, repeal, or supersede
49 any general law enacted prior to the effective date of this
50 act that provides an exemption from county or municipal sales
51 and use taxes, if the law does not require adoption of a
52 resolution or ordinance by the county or municipality for the
53 county or municipal sales and use tax exemption to become
54 effective.

55 (2) Notwithstanding any other law to the contrary, a
56 county or municipality may not adopt a resolution or ordinance



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57 providing a county or municipal sales or use tax exemption
58 pursuant to a general law enacted prior to the effective date
59 of this act, unless the county or municipality complies with
60 subdivisions (a) (2) and (a) (3).

61 (3) Notwithstanding any other law to the contrary, any
62 county or municipal sales or use tax exemption adopted by a
63 county or municipality pursuant to a general law enacted prior
64 to the effective date of this act shall cease to be effective
65 beginning September 1, 2025, unless the county or municipality
66 complies with subdivisions (a) (2) and (a) (3).

67 (d) The department shall publish and maintain a listing
68 of county and municipal sales and use tax exemptions adopted
69 as provided by this section.

70 (e) The department may adopt rules to administer and
71 implement this section.

72 Section 2. This act shall become effective immediately.