

HB315 INTRODUCED



1 HB315
2 5F4J663-1
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7 RFD: Ways and Means Education
8 First Read: 20-Feb-25



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SYNOPSIS:

Under current law, certain "covered items" are exempt from sales tax during certain weekends during a year. Some of these covered items have sales price caps to qualify for exemption.

This bill would require the Department of Revenue to adjust the dollar value of these items based on changes in the Consumer Price Index.

In addition, this bill would increase the number of days prior to which a local government must pass a resolution or ordinance to adopt such exemptions for local sales taxes.

A BILL
TO BE ENTITLED
AN ACT

Relating to sales tax; to amend Sections 40-23-210 and 40-23-230, Code of Alabama 1975, to require the Department of Revenue to adjust the dollar value of certain covered items based on changes in the Consumer Price Index; and to amend Sections 40-23-213 and 40-23-233, Code of Alabama 1975, to increase the number of days prior to which a local government must pass a resolution or ordinance to adopt such exemptions for local sales taxes.



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29 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

30 Section 1. Section 40-23-210, Code of Alabama 1975, is
31 amended to read as follows:

32 "§40-23-210

33 (a) As used in this article, the term "covered items"
34 means the following:

35 (1) Articles of clothing with a sales price of one
36 hundred dollars (\$100), or less, per article of clothing.

37 a. "Clothing" means all human wearing apparel suitable
38 for general use including sandals, shoes, and sneakers.

39 "Clothing" shall not include the following:

40 1. Belt buckles sold separately.

41 2. Costume masks sold separately.

42 3. Patches and emblems sold separately.

43 4. Sewing equipment and supplies including, but not
44 limited to, knitting needles, patterns, pins, scissors, sewing
45 machines, sewing needles, tape measures, and thimbles.

46 5. Sewing materials that become part of "clothing"
47 including, but not limited to, buttons, fabric, lace, thread,
48 yarn, and zippers.

49 b. In addition, clothing shall not include clothing
50 accessories or equipment, protective equipment, or sport or
51 recreational equipment; as defined herein.

52 1. "Clothing accessories or equipment" means incidental
53 items worn on the person or in conjunction with "clothing."
54 The following list contains examples and is not intended to be
55 an all-inclusive list. "Clothing accessories or equipment"
56 shall include:



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- 57 (i) Briefcases.
- 58 (ii) Cosmetics.
- 59 (iii) Hair notions, including, but not limited to,
60 barrettes, hair bows, and hair nets.
- 61 (iv) Handbags.
- 62 (v) Handkerchiefs.
- 63 (vi) Jewelry.
- 64 (vii) Sun glasses, non-prescription.
- 65 (viii) Umbrellas.
- 66 (ix) Wallets.
- 67 (x) Watches.
- 68 (xi) Wigs and hair pieces.

69 2. "Protective equipment" means items for human wear
70 and designed as protection of the wearer against injury or
71 disease or as protections against damage or injury of other
72 persons or property but not suitable for general use. The
73 following list contains examples and is not intended to be an
74 all-inclusive list. "Protective equipment" shall include:

- 75 (i) Breathing masks.
- 76 (ii) Clean room apparel and equipment.
- 77 (iii) Ear and hearing protectors.
- 78 (iv) Face shields.
- 79 (v) Hard hats.
- 80 (vi) Helmets.
- 81 (vii) Paint or dust respirators.
- 82 (viii) Protective gloves.
- 83 (ix) Safety glasses and goggles.
- 84 (x) Safety belts.



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85 (xi) Tool belts.

86 (xii) Welders gloves and masks.

87 3. "Sport or recreational equipment" means items
88 designed for human use and worn in conjunction with an
89 athletic or recreational activity that are not suitable for
90 general use. The following list contains examples and is not
91 intended to be an all-inclusive list. "Sport or recreational
92 equipment" shall include:

93 (i) Ballet and tap shoes.

94 (ii) Cleated or spiked athletic shoes.

95 (iii) Gloves, including, but not limited to, baseball,
96 bowling, boxing, hockey, and golf.

97 (iv) Goggles.

98 (v) Hand and elbow guards.

99 (vi) Life preservers and vests.

100 (vii) Mouth guards.

101 (viii) Roller and ice skates.

102 (ix) Shin guards.

103 (x) Shoulder pads.

104 (xi) Ski boots.

105 (xii) Waders.

106 (xiii) Wetsuits and fins.

107 (2) A single purchase, with a sales price of seven
108 hundred fifty dollars (\$750), or less, of computers, computer
109 software, and school computer supplies.

110 a. A "computer" means an electronic device that accepts
111 information in digital or similar form and manipulates it for
112 a result based on a sequence of instructions.



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113 b. "Computer software" means a set of coded
114 instructions designed to cause a "computer" or automatic data
115 processing equipment to perform a task.

116 c. A "school computer supply" means an item commonly
117 used by a student in a course of study in which a computer is
118 used. The following is an all-inclusive list of school
119 computer supplies:

120 1. Computer storage media; diskettes, and compact
121 disks.

122 2. Handheld electronic schedulers, except devices that
123 are cellular phones.

124 3. Personal digital assistants, except devices that are
125 cellular phones.

126 4. Computer printers.

127 5. Printer supplies for computers; printer paper,
128 printer ink.

129 d. "Computer," "computer software," and "school
130 computer supplies" shall not include furniture and any
131 systems, devices, software, peripherals designed or intended
132 primarily for recreational use, or video games of a
133 noneducational nature.

134 (3) Noncommercial purchases of school supplies, school
135 art supplies, and school instructional material, up to a sales
136 price of fifty dollars (\$50) per item.

137 a. "School supply" is an item commonly used by a
138 student in a course of study. The following is an
139 all-inclusive list:

140 1. Binders.



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- 141 2. Book bags.
- 142 3. Calculators.
- 143 4. Cellophane tape.
- 144 5. Blackboard chalk.
- 145 6. Compasses.
- 146 7. Composition books.
- 147 8. Crayons.
- 148 9. Erasers.
- 149 10. Folders; expandable, pocket, plastic, and manila.
- 150 11. Glue, paste, and paste sticks.
- 151 12. Highlighters.
- 152 13. Index cards.
- 153 14. Index card boxes.
- 154 15. Legal pads.
- 155 16. Lunch boxes.
- 156 17. Markers.
- 157 18. Notebooks.
- 158 19. Paper; loose leaf ruled notebook paper, copy paper,
- 159 graph paper, tracing paper, manila paper, colored paper,
- 160 poster board, and construction paper.
- 161 20. Pencil boxes and other school supply boxes.
- 162 21. Pencil sharpeners.
- 163 22. Pencils.
- 164 23. Pens.
- 165 24. Protractors.
- 166 25. Rulers.
- 167 26. Scissors.
- 168 27. Writing tablets.



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169 b. "School art supply" is an item commonly used by a
170 student in a course of study for artwork. The following is an
171 all-inclusive list:

- 172 1. Clay and glazes.
- 173 2. Paints; acrylic, tempora, and oil.
- 174 3. Paintbrushes for artwork.
- 175 4. Sketch and drawing pads.
- 176 5. Watercolors.

177 c. "School instructional material" is written material
178 commonly used by a student in a course of study as a reference
179 and to learn the subject being taught. The following is an
180 all-inclusive list:

- 181 1. Reference maps and globes.
- 182 2. Required textbooks on an official school book list
183 with a sales price of more than thirty dollars (\$30) and less
184 than fifty dollars (\$50).

185 (4) Noncommercial purchases of books with a sales price
186 of not more than thirty dollars (\$30) per book. The term
187 "book" shall mean a set of printed sheets bound together and
188 published in a volume with an ISBN number, but does not
189 include magazines, newspapers, periodicals, or any other
190 document printed or offered for sale in a non-bound form.

191 (b) (1) For calendar year 2026, the Alabama Department
192 of Revenue, by rule, shall adjust the dollar amounts provided
193 in subsection (a) by the percentage change in the Consumer
194 Price Index for all urban consumers as published by the U.S.
195 Department of Labor, Bureau of Labor Statistics, from December
196 2006 to December 2024, rounded to the nearest whole dollar.



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197 (2) The Alabama Department of Revenue shall repeat the
198 adjustment provided in subdivision (1) every five calendar
199 years using the Consumer Price Index for all urban consumers
200 as published by the U.S. Department of Labor, Bureau of Labor
201 Statistics, for the previous five years forward."

202 Section 2. Section 40-23-230, Code of Alabama 1975, is
203 amended to read as follows:

204 "§40-23-230

205 (a) As used in this article, the term "covered items"
206 includes the following selling for \$60 or less per item:

207 (1) Any package of AAA-cell, AA-cell, C-cell, D-cell,
208 6-volt, or 9-volt batteries, excluding coin batteries and
209 automobile and boat batteries.

210 (2) Any cellular phone battery or cellular phone
211 charger.

212 (3) Any portable self-powered or battery-powered radio,
213 two-way radio, weatherband radio, or NOAA weather radio.

214 (4) Any portable self-powered light source, including
215 battery-powered flashlights, lanterns, or emergency glow
216 sticks.

217 (5) Any tarpaulin, plastic sheeting, plastic drop
218 cloths, or other flexible, waterproof sheeting.

219 (6) Any ground anchor system, such as bungee cords or
220 rope, or tie-down kit.

221 (7) Any duct tape.

222 (8) Any plywood, window film, or other materials
223 specifically designed to protect window openings.

224 (9) Any non-electric food storage cooler or water



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225 storage container.

226 (10) Any non-electric can opener.

227 (11) Any artificial ice, blue ice, ice packs, or
228 reusable ice.

229 (12) Any self-contained first aid kit.

230 (13) Any fire extinguisher, smoke detector, or carbon
231 monoxide detector.

232 (14) Any gas or diesel fuel tank or container.

233 (b) The term "covered items" also includes any portable
234 generator and power cords used to provide light or
235 communications or preserve food in the event of a power outage
236 selling for \$1,000 or less per item.

237 (c) (1) For calendar year 2026, the Alabama Department
238 of Revenue, by rule, shall adjust the dollar amounts provided
239 in subsection (a) and (b) by the percentage change in the
240 Consumer Price Index for all urban consumers as published by
241 the U.S. Department of Labor, Bureau of Labor Statistics, from
242 December 2006 to December 2024, rounded to the nearest whole
243 dollar.

244 (2) The Alabama Department of Revenue shall repeat the
245 adjustment provided in subdivision (1) every five calendar
246 years using the Consumer Price Index for all urban consumers
247 as published by the U.S. Department of Labor, Bureau of Labor
248 Statistics, for the previous five years forward."

249 Section 3. Section 40-23-213, Code of Alabama 1975, is
250 amended to read as follows:

251 "§40-23-213

252 Any county or municipality ~~may~~, by resolution or



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253 ordinance adopted at least ~~30~~90 days prior to the third full
254 weekend of July, may provide for the exemption of covered
255 items from ~~paying~~ county or municipal sales and use taxes
256 during a period commencing at 12:01 a.m. on the third Friday
257 in July of each year and ending at 12 midnight the following
258 Sunday under the same terms, conditions, and definitions as
259 provided for the state sales tax holiday. Notwithstanding the
260 foregoing, a county or municipality is prohibited from
261 providing such an exemption during any other period of the
262 year."

263 Section 4. Section 40-23-233, Code of Alabama 1975, is
264 amended to read as follows:

265 "§40-23-233

266 Any county or municipality ~~may~~, by resolution or
267 ordinance adopted at least 14 days prior to the first full
268 weekend of July in 2012 and at least ~~30~~90 days prior to the
269 last full weekend of February in subsequent years, may provide
270 for the exemption of covered items from ~~paying~~ county or
271 municipal sales and use taxes during a period commencing at
272 12:01 a.m. on the first Friday in July in 2012, and the Friday
273 of the last full weekend of February in subsequent years, and
274 ending at ~~twelve~~12:00 midnight the following Sunday under the
275 same terms, conditions, and definitions as provided for the
276 state sales tax holiday. Notwithstanding the foregoing, a
277 county or municipality is prohibited from providing such an
278 exemption during any other period of the year that is not
279 designated as a sales tax holiday."

280 Section 5. This act shall become effective on October



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281 1, 2025.