

SB213 INTRODUCED



1 SB213
2 9N3KBMP-1
3 By Senators Williams, Jones, Carnley, Sessions, Chesteen,
4 Bell, Price, Melson, Livingston, Beasley, Shelnut, Roberts,
5 Kitchens, Kelley
6 RFD: Finance and Taxation Education
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SYNOPSIS:

Under existing law, a utility gross receipts tax is levied on utility services, and a utility service use tax is levied on the storage, use, or other consumption of electricity, domestic water, natural gas, telegraph, and telephone in the state.

This bill would exclude the use or purchase of natural gas or electricity for use or consumption in poultry houses from the utility gross receipts tax and utility service use tax.

A BILL
TO BE ENTITLED
AN ACT

Relating to the utility gross receipts tax and utility service use tax; to amend Sections 40-21-83 and 40-21-103, Code of Alabama 1975, to exclude the use of natural gas or electricity in poultry houses from the taxes.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Sections 40-21-83 and 40-21-103 of the Code of Alabama 1975, are amended to read as follows:

"§40-21-83

There are specifically excluded from the gross receipts



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29 or gross sales of a utility, all revenues derived from any of
30 the following:

31 (1) The furnishing of utility services which the State
32 of Alabama is prohibited from taxing under the Constitution or
33 laws of the United States of America or the Constitution of
34 ~~the State of~~ Alabama of 2022.

35 (2) The furnishing of utility services which are
36 otherwise taxed under Sections 40-23-1 to 40-23-36, inclusive.

37 (3) Wholesale sales.

38 (4) The furnishing of electricity, natural gas, or
39 domestic water for use or consumption by, in, or for the
40 direct production, generation, processing, storage, delivery,
41 or transmission of electricity, natural gas, or domestic
42 water.

43 (5) The furnishing of electricity to a manufacturer or
44 compounder for use in an electrolytic or electrothermal
45 manufacturing or compounding process.

46 (6) The furnishing of natural gas to a manufacturer or
47 compounder as a chemical raw material in the manufacturing or
48 compounding of tangible personal property, but not as fuel or
49 energy.

50 (7) The furnishing of natural gas to be used by a
51 manufacturer or compounder to chemically convert raw materials
52 prior to the use of the converted raw materials in an
53 electrolytic or electrothermal manufacturing or compounding
54 process.

55 (8) The use or consumption of electricity by an
56 incorporated municipality, a board, or corporation organized



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57 under the authority of any incorporated municipality in
58 furnishing or providing street lighting or traffic-control
59 systems; the use or consumption of telephone services by an
60 incorporated municipality in providing fire alarm systems; and
61 the use or consumption of domestic water by an incorporated
62 municipality in extinguishing fires, explosions, or
63 conflagrations.

64 (9) The furnishing of natural gas or electricity for
65 use or consumption as fuel or energy in ~~and for the heating of~~
66 poultry houses.

67 (10) The furnishing of utility services through the use
68 of a prepaid telephone calling card."

69 "§40-21-103

70 The storage, use, or other consumption of utility
71 services in the State of Alabama is hereby specifically
72 excluded from the tax herein levied:

73 (1) Whenever the State of Alabama is prohibited from
74 taxing such storage, use, or consumption under the
75 Constitution or laws of the United States of America or the
76 Constitution ~~of the State of~~ Alabama of 2022;

77 (2) Whenever any tax relating to the sale, use,
78 storage, or consumption of said utility services shall be
79 levied under the provisions of Article 2 of Chapter 23 of this
80 title, or under the provisions of Sections 40-23-1 through
81 40-23-36 or the Alabama Transaction Tax Act of 1992 if enacted
82 into law;

83 (3) Whenever the purchase of said utility services
84 shall have been at a wholesale sale;



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85 (4) Whenever electricity, natural gas, or domestic
86 water shall have been used or consumed directly in or for the
87 production, generation, processing, storage, delivery, or
88 transmission of electricity, natural gas, or domestic water;

89 (5) Whenever electricity purchased for storage, use, or
90 other consumption is used or consumed by a manufacturer or
91 compounder in an electrolytic or electrothermal manufacturing
92 or compounding process;

93 (6) Whenever natural gas purchased for storage, use, or
94 other consumption is used or consumed by a manufacturer or
95 compounder as a chemical raw material in the manufacturing or
96 compounding of tangible personal property, but not as fuel or
97 energy;

98 (7) Whenever natural gas purchased for storage, use, or
99 other consumption is used by a manufacturer or compounder to
100 chemically convert raw materials prior to the use of such
101 converted raw materials in an electrolytic or electrothermal
102 manufacturing or compounding process;

103 (8) Whenever the sales price of said utility services
104 shall be included as a part of the gross receipts or gross
105 sales of a utility subject to the utility gross receipts tax
106 for the purpose of calculating the utility gross receipts tax
107 payable by said utility;

108 (9) Whenever electricity purchased for storage, use, or
109 other consumption is used or consumed in a process for the
110 isotopic enrichment of uranium and when said electricity is
111 purchased from a subsidiary corporation of the corporation
112 engaged in the isotopic enrichment of uranium; ~~and~~



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113 (10) Whenever utility services are furnished through
114 the use of a prepaid telephone calling card; and

115 (11) Whenever natural gas or electricity purchased for
116 storage, use, or other consumption is used or consumed as fuel
117 or energy in poultry houses."

118 Section 2. This act shall become effective on
119 September 1, 2025.