

**SB282 INTRODUCED**



1 SB282  
2 ARG8A7S-1  
3 By Senator Barfoot  
4 RFD: Finance and Taxation General Fund  
5 First Read: 01-Apr-25



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SYNOPSIS:

This bill would exempt virtual currency from ad valorem taxation.

A BILL  
TO BE ENTITLED  
AN ACT

Relating to virtual currency; to amend Section 40-9-1, Code of Alabama 1975; to exempt virtual currency from ad valorem taxation.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 40-9-1, Code of Alabama 1975, is amended to read as follows:

"§40-9-1

The following property and persons shall be exempt from ad valorem taxation and none other:

- (1) All bonds of the United States and this state and all county and municipal bonds issued by counties and municipalities in this state, all property, real and personal, of the United States and this state and of county and municipal corporations in this state; all cemeteries, all property, real and personal, used exclusively for religious worship, for schools or for purposes purely charitable;



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29 provided, that property, real or personal, owned by any  
30 educational, religious, or charitable institution, society or  
31 corporation let for rent or hire or for use for business  
32 purposes shall not be exempt from taxation, notwithstanding  
33 that the income from such property shall be used exclusively  
34 for education, religious, or charitable purposes; all  
35 mortgages, together with the notes, debts, and credits secured  
36 thereby on real and personal property situated in this state,  
37 which mortgages have been filed for record and the privilege  
38 tax paid thereon; all security agreements and security  
39 interests under the Uniform Commercial Code, together with the  
40 notes, debts, and credits secured thereby; all money on  
41 deposit in any bank or banking institution and all other  
42 solvent credits; all warrants issued by county boards of  
43 education and city boards of education for the purpose of  
44 erecting, repairing, furnishing school buildings, or for other  
45 school purposes.

46 (2) All property, real or personal, used exclusively  
47 for hospital purposes, to the amount of seventy-five thousand  
48 dollars (\$75,000), where such hospitals maintain wards for  
49 charity patients or give treatment to such patients; provided,  
50 that the treatment of charity patients constitutes at least 15  
51 percent of the business of such hospitals; provided further,  
52 that such hospital need not be assessed for taxation if the  
53 owner or manager shall file with the county tax assessor  
54 wherein such hospital is located within the time allowed for  
55 assessing the property for taxation a certificate that such  
56 hospital has done 15 percent charity work in the preceding tax



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57 year; and further provided, that such hospital through its  
58 owner or manager shall have until the expiration of the  
59 preceding tax year to class its work and ascertain whether or  
60 not such hospital has done 15 percent of its treatment of  
61 patients as charity work.

62 (3) The shares of the capital stock of any corporation  
63 owning and operating a hospital, to the extent of seventy-five  
64 thousand dollars (\$75,000) in value; provided, that the  
65 corporation maintains wards for charity patients and gives  
66 treatment to such patients, which treatment constitutes at  
67 least 15 percent of the business of the hospital of the  
68 corporation; provided, that the total exemption granted to any  
69 such corporation shall not exceed seventy-five thousand  
70 dollars (\$75,000), taking into consideration its real and  
71 personal property and the value of its shares of capital  
72 stock.

73 (4) All property owned by the American Legion or by  
74 Veterans of Foreign Wars or by the Disabled American Veterans,  
75 or any post thereof; provided, that such property is used and  
76 occupied exclusively by the organization.

77 (5) All the property of literary and scientific  
78 institutions and literary societies, when employed or used in  
79 the regular business of the institutions.

80 (6) The libraries of ministers of the gospel, all  
81 libraries other than those of a professional character and all  
82 religious books kept for sale by ministers of the gospel and  
83 colporteurs.

84 (7) The property of individuals who are deaf, hard of



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85 hearing, or insane to the extent of three thousand dollars  
86 (\$3,000) and the property of blind individuals to the extent  
87 of twelve thousand dollars (\$12,000).

88 (8) All family portraits.

89 (9) All cotton, livestock, or agricultural products  
90 that have been raised or grown in the State of Alabama and  
91 remain in the hands of the producer thereof, or his or her  
92 landlord, or in the hands of a cooperative association for all  
93 time, and for a period of one year in the hands of the  
94 purchaser or the manufacturer.

95 (10) All cotton, wherever grown, stored in licensed  
96 warehouses in the State of Alabama for a period not exceeding  
97 12 months.

98 (11) Provisions and supplies on hand for the current  
99 year for the use of the family and the making of crops; all  
100 wearing apparel; farming tools; tools and implements of  
101 mechanics to the value of two hundred dollars (\$200); all  
102 livestock, including mules, studs, jacks and jennets, cattle,  
103 horses, cows, calves, hogs, sheep, and goats; and household  
104 and kitchen furniture and one sewing machine.

105 (12) No license or taxation of any character, except  
106 franchise taxes provided by Section 229 of the Constitution of  
107 the State of Alabama, shall be collected or required to be  
108 paid to the state or any county or municipality therein by any  
109 state or county fair, agricultural association, or stock,  
110 kennel, or poultry show. Athletic stadiums owned and  
111 controlled by universities, schools, or colleges and which are  
112 used exclusively for the purpose of promoting intercollegiate



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113 or interschool athletics; provided, that the revenue received  
114 from athletic stadiums, when admission is charged, shall be  
115 used for the benefit of athletic associations of such  
116 universities, colleges, or schools. Nothing contained in this  
117 subdivision shall be construed to prohibit any municipality,  
118 county, or state from imposing any license tax upon or for the  
119 privilege of engaging in the business of supplying services  
120 for hire or reward or selling commodities other than  
121 livestock, farm products, or farm implements or conducting or  
122 operating devices or games of skill or amusements or other  
123 games or devices, or conducting or operating shows, displays  
124 or exhibits other than shows, displays or exhibits of  
125 agricultural implements, farm products, livestock, and  
126 athletic prowess.

127 (13) All material, including without limitation coke,  
128 to be compounded or further manufactured, when stocked at any  
129 plant or furnace for manufacturing purposes in Alabama.

130 (14) All articles manufactured in Alabama, including  
131 pig iron, in the hands of the producer or manufacturer  
132 thereof, for 12 months after its production or manufacture.

133 (15) All property, both real and personal, owned by any  
134 unit or organization of the Alabama National Guard officially  
135 recognized as such by the federal government and organized and  
136 maintained by the state, and all property owned by shares and  
137 used exclusively by and kept exclusively in the possession of  
138 any such unit or organization of the Alabama National Guard,  
139 the annual rent or hire of which is not in excess of the  
140 annual state, county, and municipal taxes on the property



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141 shall be exempt from taxation by the state, and the county and  
142 municipality in which the same may be situated.

143 (16) All poultry.

144 (17) The property of all incompetent veterans to the  
145 value of three thousand dollars (\$3,000).

146 (18) The following items of personal property when  
147 owned by individuals for personal use in the home or usually  
148 kept at the home of the owner and not carried as stocks of  
149 merchandise, namely: Libraries; phonographs; pianos and other  
150 musical instruments; paintings; precious stones, jewelry,  
151 plate silverware, ornaments, and articles of taste; watches  
152 and clocks; wagons, buggies, bicycles, guns, pistols, canes,  
153 golf sticks, golf bags, and sporting goods; money hoarded;  
154 radios; mechanical and electrical refrigerators; electrical  
155 appliances.

156 (19) All property owned by the Benevolent and  
157 Protective Order of Elks, Fraternal Order of Police, Fraternal  
158 Order of Eagles, or Loyal Order of Moose, or lodge thereof;  
159 provided, that such property is used and occupied exclusively  
160 by such organization.

161 (20) All devices, facilities, or structures, and all  
162 identifiable components thereof or materials for use therein,  
163 acquired or constructed primarily for the control, reduction,  
164 or elimination of air or water pollution.

165 (21) Tobacco leaf stored in hogsheads.

166 (22) All farm tractors, as that term is defined in  
167 Section 32-1-1.1; and all farming implements, as that term is  
168 used in subdivision (b) (5) of Section 40-11-1, when used



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169 exclusively in connection with agricultural property as  
170 defined in subdivision (b)(1) of Section 40-8-1.

171 (23) All grain bins used exclusively for the purpose of  
172 storing, holding, drying, preserving, or otherwise preparing a  
173 grain, as defined in Section 2-31-1, for market. For purposes  
174 of this chapter, "grain bin" means a structure and its  
175 component parts.

176 (24) All stocks of goods, wares, and merchandise  
177 described in subdivision (b)(4) of Section 40-11-1.

178 (25) All aircraft, replacement parts, components,  
179 systems, supplies, and sundries affixed or used on the  
180 aircraft, and ground support equipment and vehicles used by or  
181 for the aircraft, when used by a certificated or licensed air  
182 carrier with a hub operation within this state, for use in  
183 conducting intrastate, interstate, or foreign commerce for  
184 transporting people or property by air. For the purpose of  
185 this subdivision, the words "hub operation" within this state  
186 shall be construed to have all of the following criteria:

187 a. There originates from the location 15 or more flight  
188 departures and five or more different first-stop destinations  
189 five days per week for six or more months during the calendar  
190 year.

191 b. Passengers or property or both are regularly  
192 exchanged at the location between flights of the same or a  
193 different certificated or licensed air carrier.

194 (26) All property described in Title 12 U.S.C. § 1701q,  
195 commonly known as HUD 202 property, is hereby exempt from any  
196 and all ad valorem taxes.





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197 (27) All vessels and equipment thereon, used  
198 predominantly in the business of commercial fishing, as  
199 defined in Section 40-23-1, by the owners thereof.

200 (28)a. The tangible personal property owned by a  
201 business and reported in accordance with Article 1 of Chapter  
202 7 to the extent of forty thousand dollars (\$40,000) in market  
203 value is exempt from the state levied ad valorem tax.

204 b. Any county or municipality, by resolution or  
205 ordinance, may adopt the exemption provided in paragraph a.  
206 for county or municipal ad valorem taxes levied on tangible  
207 personal property. The ordinance or resolution must be adopted  
208 at least 90 days prior to October 1, 2023, or 90 days prior to  
209 October 1 of the electing year.

210 (29) Virtual currency, which shall be defined as a  
211 digital representation of value, other than a representation  
212 of the United States dollar or a foreign currency, that  
213 functions as a unit of account, a store of value, or a medium  
214 of exchange."

215 Section 2. This act shall become effective on October  
216 1, 2025.