



**House Fiscal Responsibility Reported Substitute  
for HB342**

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5 A BILL

6 TO BE ENTITLED

7 AN ACT

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9 Relating to federal tax credits; to provide for the  
10 State of Alabama's participation in the federal tax credit for  
11 individuals who make qualified contributions to scholarship  
12 granting organizations.

13 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

14 Section 1. (a) The Legislature voluntarily elects the  
15 State of Alabama to participate in the federal tax credit  
16 established under **26 U.S.C. § 25F** for individuals who make  
17 qualified contributions to scholarship granting organizations.

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19 (b) The Department of Revenue shall annually submit to  
20 the U.S. Secretary of the Treasury and publish on the  
21 Department of Revenue's website a list of all scholarship  
22 granting organizations that meet the requirements under **26**  
23 **U.S.C. § 25F** and are located in this state. The Department of  
24 Revenue shall certify to the U.S. Secretary of the Treasury  
25 the Department of Revenue's authority to submit the list on  
26 behalf of the state and comply with **the requirements of 26**  
27 **U.S.C. § 25F**, including any applicable federal regulations or  
28 guidance, to ensure that the state is eligible to participate



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29 in taxable years beginning after December 31, 2026.

30 (c) The Department of Revenue may establish rules for  
31 the implementation and administration of this act.

32 Section 2. This act shall become effective immediately.