



FISCAL NOTE

Senate Bill 111

Committee: Finance and Taxation Education Sponsor: Senator Chris Elliott

Analyst: John Friedenreich Date: 03/10/2026

Senate Bill 111 as introduced could, for fiscal years 2028 through 2032, decrease income tax and utility tax receipts to the Education Trust Fund, insurance premium tax receipts to the State General Fund, and financial institutions excise tax receipts to the State General Fund, counties, and municipalities by a cumulative maximum of \$25 million annually by allowing taxpayers to claim a non-refundable, non-transferable tax credit, beginning in tax year 2027, up to the annual amounts listed below for donations to certain public or private trade schools, trade programs, or community development foundations pursuant to the provisions of this bill. This bill would allow the credits to be carried forward up to three-years.

Taxpayer	Maximum Annual Tax Credit Amount
Single, Head of Household, Married Filing Separately	\$15,000
Married Filing Jointly	\$30,000
Pass-Through Entity, Limited Liability Corporation, Professional Corporation	\$450,000
Subchapter C corporation	Lessor of \$500,000 or corporation's tax liability

This bill would create the Prepare Alabama Investment Program, administered by a seven-member board within the Alabama Department of Workforce (DOW), to: (1) determine the eligibility of qualifying entities to receive donations, (2) submit the list of eligible entities to the Department of Revenue; and (3) annually publish on DOW's website a list of entities eligible to receive donations during the next tax year.

Additionally, this bill would increase the obligations of the DOW, to: (1) jointly report with the board to the Legislature all donations reported, and all credits claimed and approved for the preceding tax year; and (2) retain a company to publicize the program.



This bill would also increase the administrative obligations of the DOW and the Department of Revenue to adopt rules pursuant to the provisions of this bill.

Finally, this bill could increase the obligations of the Legislature paid from the State General Fund and the affected state agencies to reimburse board members by an estimated minimum of \$200 per meeting, for per diem and travel expenses.