



FISCAL NOTE

House Bill 388

Committee: Finance and Taxation Education Sponsor: Representative Faulkner

Analyst: Riley Aaron Date: 03/17/2026

House Bill 388 as passed the House of Representatives would decrease potential future sales tax receipts to the Education Trust Fund (ETF) by the estimated annual amounts listed below, based on information provided by the entities, by extending the state sales and use tax exemption, that would otherwise sunset at the end of the 2026 tax year, for certain community foundations until August 31, 2031.

Foundation	ETF	Local Funds	Total
The Black Belt Community Foundation	NA	NA	NA
The Central Alabama Community Foundation	NA	NA	NA
The Community Foundation of Greater Birmingham	\$777	\$1,020	\$1,797
The Community Foundation of Greater Decatur	NA	NA	NA
The Community Foundation of Greater Huntsville	\$2,091	\$2,744	\$4,835
The Community Foundation of Northeast Alabama	\$33,530	\$44,008	\$77,538
The Community Foundation of South Alabama	NA	NA	NA
The Community Foundation of West Alabama	\$516	\$677	\$1,193
The Limestone Area Community Foundation	\$80	\$105	\$185
The Walker Area Community Foundation	\$124,232	\$163,054	\$287,286
Total*	\$161,226	\$211,608	\$372,834

*This total is an estimate due to lack of estimates from these entities.

This bill could also decrease sales and use tax receipts to county and municipal funds, if the respective local governments adopt an exemption from local sales and use taxes pursuant to this bill.