



FISCAL NOTE

House Bill 4

Committee: Finance and Taxation Education Sponsor: Senator Matt Woods

Analyst: Jennifer Farish Date: 03/04/2026

House Bill 4 as passed the House of Representatives would decrease potential receipts to the Education Trust Fund by an estimated \$7.2 million annually for fiscal years 2027 through 2029 by exempting the purchase of certain broadband equipment and supplies from projects funded or administered by the Alabama Department of Economic and Community Affairs (ADECA) from state sales and use tax for that time period.

Further, this bill could also decrease sales and use tax receipts to local governments by a cumulative estimated maximum amount of \$9.45 million annually, if all local governments adopted the exemption provided by this bill.

ADECA's Alabama Connectivity Plan report from 2021 estimated the total cost to provide certain statewide fiber connectivity at \$4.5 billion over a 10-year period. ADECA attributed an estimated 40% of project costs (\$1.8 billion) to material.