



## FISCAL NOTE

### Senate Bill 265

Committee: Economic Development and Tourism Sponsor: Senator Andrew Jones

Analyst: Mathieu Fuller

Date: 03/19/2026

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**Senate Bill 265** as reported by the Committee on Economic Development and Tourism would increase potential sales tax receipts to the State General Fund and increase potential ad valorem tax receipts to the State General Fund, Alabama Historical Commission, and Veterans Assistance Fund, beginning in Fiscal Year 2027, by an undetermined amount dependent upon the amount of these taxes collected on certain data processing center projects, after the centers are placed into service, that otherwise would have been abated under current law. Under current law, certain state sales taxes that otherwise would be abated are unabated and deposited in the Alabama Development Fund, while all other state sales taxes collected after the expiration of the abatement are otherwise deposited in the Education Trust Fund.

This bill would also reduce potential sales tax receipts to the Education Trust Fund and State General Fund, reduce potential ad valorem tax and mortgage and deed tax receipts to the State General Fund, Alabama Historical Commission, and Veterans Assistance Fund, and would reduce potential non-education ad valorem and sales tax receipts to local governments by an undetermined amount dependent on the amount of taxes that otherwise would be collected from data processing centers that: (1) locate or expand operations in the state after July 31, 2028 (the current sunset date for applying for these abatements) through July 31, 2032 (the new sunset date for applying for these abatements provided by this bill); and (2) qualify for an additional 10 years of abatements, for a total of 30 years, as provided by this bill.

This bill would also decrease the maximum time period abatements that certain data processing centers may be authorized from 30 years, under current law, to 20 years, as provided by this bill.

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This bill would not affect any incentives provided to projects executed prior to June 1, 2026 or expanded after June 1, 2026 for a ten-year period.