

**HB244 INTRODUCED**



1      HB244  
2      DGXDMHT-1  
3      By Representatives Crawford, Fincher, Fidler, Allbright,  
4      Standridge, Hammett, Smith, Hurst, Moore (P), Ingram, Bolton,  
5      Oliver  
6      RFD: Ways and Means Education  
7      First Read: 14-Jan-26



1

2

3

## 4 SYNOPSIS:

5 Under existing law, a utility gross receipts tax  
6 is levied on utility services, and a utility service  
7 use tax is levied on the storage, use, or other  
8 consumption of electricity, domestic water, natural  
9 gas, telegraph, and telephone in the state.

10 This bill would exclude the use or purchase of  
11 natural gas or electricity for use or consumption in  
12 commercial greenhouses, pivot irrigation systems, and  
13 poultry houses from the utility gross receipts tax and  
14 utility service use tax.

15  
16  
17 A BILL

18 TO BE ENTITLED

19 AN ACT

20  
21 Relating to the utility gross receipts tax and utility  
22 service use tax; to amend Sections 40-21-83 and 40-21-103,  
23 Code of Alabama 1975, to exclude the use of natural gas or  
24 electricity in commercial greenhouses, pivot irrigation  
25 systems, and poultry houses from the taxes.

26 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

27 Section 1. Sections 40-21-83 and 40-21-103 of the Code  
28 of Alabama 1975, are amended to read as follows:



29 "§40-21-83

30 There are specifically excluded from the gross receipts  
31 or gross sales of a utility, all revenues derived from any of  
32 the following:

33 (1) The furnishing of utility services which the State  
34 of Alabama is prohibited from taxing under the Constitution or  
35 laws of the United States of America or the Constitution of  
36 ~~the State of~~ Alabama of 2022.

37 (2) The furnishing of utility services which are  
38 otherwise taxed under Sections 40-23-1 to 40-23-36, inclusive.

39 (3) Wholesale sales.

40 (4) The furnishing of electricity, natural gas, or  
41 domestic water for use or consumption by, in, or for the  
42 direct production, generation, processing, storage, delivery,  
43 or transmission of electricity, natural gas, or domestic  
44 water.

45 (5) The furnishing of electricity to a manufacturer or  
46 compounder for use in an electrolytic or electrothermal  
47 manufacturing or compounding process.

48 (6) The furnishing of natural gas to a manufacturer or  
49 compounder as a chemical raw material in the manufacturing or  
50 compounding of tangible personal property, but not as fuel or  
51 energy.

52 (7) The furnishing of natural gas to be used by a  
53 manufacturer or compounder to chemically convert raw materials  
54 prior to the use of the converted raw materials in an  
55 electrolytic or electrothermal manufacturing or compounding  
56 process.



57 (8) The use or consumption of electricity by an  
58 incorporated municipality, a board, or corporation organized  
59 under the authority of any incorporated municipality in  
60 furnishing or providing street lighting or traffic-control  
61 systems; the use or consumption of telephone services by an  
62 incorporated municipality in providing fire alarm systems; and  
63 the use or consumption of domestic water by an incorporated  
64 municipality in extinguishing fires, explosions, or  
65 conflagrations.

66 (9) The furnishing of natural gas or electricity for  
67 use or consumption as fuel or energy in ~~and for the heating of~~  
68 commercial greenhouses, pivot irrigation systems, and poultry  
69 houses.

70 (10) The furnishing of utility services through the use  
71 of a prepaid telephone calling card."

72 "§40-21-103

73                   The storage, use, or other consumption of utility  
74                   services in the State of Alabama is hereby specifically  
75                   excluded from the tax herein levied:



85 into law;

86 (3) Whenever the purchase of said utility services  
87 shall have been at a wholesale sale;

88 (4) Whenever electricity, natural gas, or domestic  
89 water shall have been used or consumed directly in or for the  
90 production, generation, processing, storage, delivery, or  
91 transmission of electricity, natural gas, or domestic water;

92 (5) Whenever electricity purchased for storage, use, or  
93 other consumption is used or consumed by a manufacturer or  
94 compounder in an electrolytic or electrothermal manufacturing  
95 or compounding process;

96 (6) Whenever natural gas purchased for storage, use, or  
97 other consumption is used or consumed by a manufacturer or  
98 compounder as a chemical raw material in the manufacturing or  
99 compounding of tangible personal property, but not as fuel or  
100 energy;

101 (7) Whenever natural gas purchased for storage, use, or  
102 other consumption is used by a manufacturer or compounder to  
103 chemically convert raw materials prior to the use of such  
104 converted raw materials in an electrolytic or electrothermal  
105 manufacturing or compounding process;

106 (8) Whenever the sales price of said utility services  
107 shall be included as a part of the gross receipts or gross  
108 sales of a utility subject to the utility gross receipts tax  
109 for the purpose of calculating the utility gross receipts tax  
110 payable by said utility;

111 (9) Whenever electricity purchased for storage, use, or  
112 other consumption is used or consumed in a process for the

**HB244 INTRODUCED**



113 isotopic enrichment of uranium and when said electricity is  
114 purchased from a subsidiary corporation of the corporation  
115 engaged in the isotopic enrichment of uranium; ~~and~~

116 (10) Whenever utility services are furnished through  
117 the use of a prepaid telephone calling card; and

118 (11) Whenever natural gas or electricity purchased for  
119 storage, use, or other consumption is used or consumed as fuel  
120 or energy in commercial greenhouses, pivot irrigation systems,  
121 and poultry houses."

122 Section 2. This act shall become effective on  
123 September 1, 2026.