

HB388 ENROLLED



1 HB388
2 PS97VER-2
3 By Representative Faulkner
4 RFD: Ways and Means Education
5 First Read: 05-Feb-26



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1 Enrolled, An Act,

2
3 Relating to sales and use taxes; to add Section
4 40-9-39.41 to the Code of Alabama 1975, to exempt certain
5 community foundations from state sales and use taxes; to allow
6 municipalities and counties to exempt these entities from
7 local sales and use taxes; and to repeal Section 40-9-39.4,
8 Code of Alabama 1975, regarding the existing community
9 foundation sales and use tax exemptions.

10 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

11 Section 1. Section 40-9-39.41 is added to the Code of
12 Alabama 1975, to read as follows:

13 §40-9-39.41

14 (a) All of the following community foundation entities
15 are exempted from paying any state sales and use taxes:

- 16 (1) The Black Belt Community Foundation.
- 17 (2) The Central Alabama Community Foundation.
- 18 (3) The Community Foundation of Greater Birmingham.
- 19 (4) The Community Foundation of Greater Decatur.
- 20 (5) The Community Foundation of Greater Huntsville.
- 21 (6) The Community Foundation of Northeast Alabama.
- 22 (7) The Community Foundation of South Alabama.
- 23 (8) The Community Foundation of West Alabama.
- 24 (9) The Limestone Area Community Foundation.
- 25 (10) The Walker Area Community Foundation.

26 (b) Each entity listed in subsection (a) shall file an
27 annual informational report in a manner as prescribed by the
28 Department of Revenue. The information on such reports shall



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29 be consistent with the information required by the Department
30 of Revenue pursuant to Section 40-9-61 and rules adopted
31 thereunder. Information provided pursuant to this section is
32 exempted from the confidentiality provisions of Section
33 40-2A-10, and shall be provided by the Department of Revenue
34 to the Legislative Services Agency, Fiscal Division, on an
35 annual basis.

36 (c) The sales and use tax exemption authorized under
37 this section shall be effective September 1, 2026, and shall
38 continue through August 31, 2031.

39 (d) Any county or municipality may exempt the entities
40 listed in subsection (a) from county or municipal sales and
41 use taxes in accordance with Section 40-23-4.01.

42 Section 2. Section 40-9-39.4, Code of Alabama 1975,
43 relating to the existing sales and use tax exemptions for the
44 entities in Section 1(a), is repealed.

45 Section 3. Section 1 of this act shall become effective
46 immediately. Section 2 of this act shall become effective
47 January 1, 2027.



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Speaker of the House of Representatives

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in and was passed by the House 03-Mar-26.

John Treadwell
Clerk

Senate **07-Apr-26**

Passed