

## HB548 INTRODUCED



1 HB548

2 5V17V66-1

3 By Representatives Lawrence, Daniels, Clarke, Jones, Forte,

4 Hall, Warren, Datcher, Bracy, Hollis, Tillman, Moore (M),

5 McClammy, Hendrix, Morris, England, Sellers, Gray, Travis,

6 McCampbell, Hassell, Givan, Drummond, Jackson, Lands, Ensler,

7 Rafferty, Chestnut, Boyd

8 RFD: State Government

9 First Read: 03-Mar-26



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SYNOPSIS:

This bill would establish the Automotive Supply Chain Resilience and Expansion Act that creates a strategic framework to support the automotive industry in response to federal tariff disruptions, by offering targeted relief, supply chain incentives, and export assistance to protect jobs and maintain the sector's global competitiveness.

A BILL  
TO BE ENTITLED  
AN ACT

Relating to commerce; to establish the Automotive Supply Chain Resilience and Expansion Act; to provide definitions; to create the Automotive Tariff Relief Fund; to create the Automotive Tariff Relief Grant Program; to create the Supply Chain Relocation and Expansion Income Tax Credit; to create the Export Market Diversification Program; to adapt state procurement opportunities; and to create the Automotive Resilience Task Force.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. This act shall be known and may be cited as the Automotive Supply Chain Resilience and Expansion Act.



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29           Section 2. It is the intent of the Legislature to  
30 provide strategic support to the automotive manufacturing  
31 sector in response to disruptions caused by federal tariffs  
32 and global trade instability.

33           Section 3. For the purpose of this act, the following  
34 terms and phrases have the following meanings:

35           (1) DEPARTMENT. The Alabama Department of Commerce.

36           (2) ELIGIBLE ENTITY. Any Alabama manufacturer or  
37 supplier operating in the state.

38           (3) TARIFF-RELATED DISRUPTION. Increased costs, reduced  
39 revenues, or supply interruptions resulting directly or  
40 indirectly from federal tariffs or foreign retaliatory  
41 measures.

42           Section 4. (a) The Automotive Tariff Relief Grant  
43 Program and the Automotive Tariff Relief Grant Fund are  
44 established and shall be administered by the department.

45           (b) Grant funds may be used for:

46           (1) Cost mitigation;

47           (2) Inventory diversification;

48           (3) Workforce retention; or

49           (4) Capital improvement.

50           (c) Grants shall be awarded to eligible entities that  
51 demonstrate hardship due to tariff-related disruptions.

52           (d) The aggregate amount of grants awarded pursuant to  
53 this section shall not exceed ten million dollars  
54 (\$10,000,000) in a calendar year.

55           (e) The department shall establish rules for  
56 application procedures and documentation requirements.



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57 Section 5. (a) A refundable income tax credit, known as  
58 the Supply Chain Relocation and Expansion Tax Credit, may be  
59 claimed by eligible entities that relocate critical supply  
60 operations, expand domestic sourcing within the state, or  
61 invest in technology or equipment that mitigates reliance on  
62 tariff-affected imports.

63 (b) The amount of any income tax credit shall not  
64 exceed 30 percent of qualifying investment expenditures.

65 (c) The income tax credit authorized by this act is  
66 limited to an aggregate amount for all taxpayers of ten  
67 million dollars (\$10,000,000) annually.

68 (d) The income tax credit is nontransferable and may be  
69 carried forward for up to five years.

70 (e)(1) The income tax credit allowed under this section  
71 shall be effective beginning January 1, 2027, for the 2027 tax  
72 year, and shall continue through the 2029 tax year, except for  
73 carry-forward as provided in subsection (d).

74 (2) Notwithstanding the other provisions of this  
75 subsection, a business shall not claim this income tax credit  
76 for more than three tax years.

77 (f) The Alabama Department of Revenue may adopt rules  
78 for the implementation and administration of this section.

79 Section 6. (a) The Supply Chain Relocation and  
80 Expansion Loan Program is established and shall be  
81 administered by the department.

82 (b) Low-interest loans shall be provided to eligible  
83 entities.

84 (c) The amount of any low-interest loan shall not



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85 exceed 30 percent of qualifying investment expenditures.

86 (d) The department shall establish rules for  
87 application procedures and documentation requirements.

88 Section 7. (a) The Export Market Diversification  
89 Program which will expand export support services to eligible  
90 entities seeking new international markets is established and  
91 shall be administered by the department.

92 (b) Services may include export financing assistance,  
93 trade mission subsidies, foreign regulatory compliance, and  
94 market entry consulting.

95 (c) Priority shall be given to businesses impacted by  
96 foreign retaliatory tariffs.

97 Section 8. (a) State procurement agencies may adjust  
98 bid scoring to reflect cost increases from tariffs, grant  
99 temporary preference to domestic suppliers impacted by trade  
100 measures, and modify contract requirements to allow use of  
101 alternative materials.

102 (b) The Alabama Department of Finance shall issue  
103 implementing guidelines by October 1, 2026.

104 Section 9. (a) There is established the Automotive  
105 Resilience Task Force.

106 (b) The task force shall:

107 (1) Monitor federal trade actions and foreign  
108 retaliatory measures;

109 (2) Assess economic impact on the automotive sector;  
110 and

111 (3) Recommend policy responses and industry  
112 adaptations.



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113           (c) The task force shall consist of five members, each  
114 appointed by the Governor.

115           (d) The first meeting to be held by September 1, 2026,  
116 and shall meet no less than annually and otherwise as  
117 necessary.

118           (e) The task force shall report bi annually to the  
119 Governor and the Legislature on its activities, findings, and  
120 recommendations.

121           Section 10. Sections 1 through 4 and Sections 6 through  
122 8 of this act shall become effective on July 1, 2027. Section  
123 5 of this act shall become effective on July 1, 2027,  
124 contingent on the ratification of an amendment to the  
125 Constitution of Alabama of 2022, proposed in the 2026 Regular  
126 Session, authorizing the Alabama Department of Commerce to  
127 provide low-interest loans to eligible entities.