

## HB554 INTRODUCED



1 HB554  
2 U9R6SXG-1  
3 By Representatives Hall, Daniels, Jones, Lands, Clarke, Forte,  
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8 RFD: State Government  
9 First Read: 03-Mar-26



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SYNOPSIS:

This bill would establish the State Energy Supply and Chemical Trade Stabilization Act that creates a strategic framework to reinforce energy and chemical manufacturing by incentivizing domestic production, supporting feedstock substitution, and modernizing logistics infrastructure critical to energy and industrial chemical supply chains.

A BILL  
TO BE ENTITLED  
AN ACT

Relating to commerce; to establish the State Energy Supply and Chemical Trade Stabilization Act; to provide definitions; to create the State Energy Supply and Chemical Trade Stabilization Grant Program and the State Energy Supply and Chemical Trade Stabilization Grant Fund; to create the Reshoring and Domestic Production Income Tax Credit; to create the Reshoring and Domestic Production Loan Program; to create the Chemical and Energy Trade Risk Assessment Board; and to provide for the Alabama Department of Economic and Community Affairs to adopt rules to implement the provisions of this act.



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29 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

30 Section 1. This act shall be known and may be cited as  
31 the "State Energy Supply and Chemical Trade Stabilization  
32 Act."

33 Section 2. It is the intent of the Legislature to  
34 enhance the resilience of energy and chemical manufacturing  
35 sectors by addressing the risks posed by global trade  
36 disruptions and strengthening domestic production capacity.

37 Section 3. For the purposes of this Act, the following  
38 terms have the following meanings:

39 (1) DEPARTMENT. The Alabama Department of Economic and  
40 Community Affairs.

41 (2) ELIGIBLE FACILITIES. Any taxpayer who is a  
42 chemical or energy production facility located within the  
43 state.

44 (3) FEEDSTOCK. Any raw material to supply or fuel a  
45 machine or industrial process.

46 (4) INPUT. Any material required to initiate, produce,  
47 and deliver goods or services.

48 (5) TRADE DISRUPTION. Any condition, including tariffs  
49 or sanctions, that increases input costs, limits access to  
50 equipment, or reduces export capacity.

51 Section 4. (a) The State Energy Supply and Chemical  
52 Trade Stabilization Grant Program and the State Energy Supply  
53 and Chemical Trade Stabilization Grant Fund are established  
54 and shall be administered by the department to support  
55 eligible facilities impacted by trade disruptions.

56 (b) Grant funds may be used to:



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- 57 (1) Mitigate financial losses;
- 58 (2) Implement supply chain modifications;
- 59 (3) Retain key personnel;
- 60 (4) Identify critical feedstocks and inputs vulnerable  
61 to trade restrictions;
- 62 (5) Support research into domestic or alternative  
63 inputs;
- 64 (6) Pilot commercial applications of substitute  
65 materials or energy sources; or
- 66 (7) Support capital improvements to energy and chemical  
67 infrastructure, including, but not limited to, the following:
- 68 a. Pipeline upgrades.
- 69 b. Chemical storage expansion.
- 70 c. Intermodal transport hubs.
- 71 d. Port facilities.
- 72 (c) The department shall issue guidelines for  
73 application procedures and required documents.
- 74 (d) The aggregate amount of grants awarded pursuant to  
75 this section shall not exceed two million dollars (\$2,000,000)  
76 in a calendar year.
- 77 Section 5. (a) A refundable income tax credit, known as  
78 the Reshoring and Domestic Production Income Tax Credit, may  
79 be claimed by eligible facilities for capital investment  
80 projects relating to chemical and energy production in the  
81 state.
- 82 (b) A taxpayer may claim a credit in an amount equal to  
83 30 percent of the amount of qualifying investments made during  
84 the tax year.



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85 (c) The income tax credit authorized by this act is  
86 limited to an aggregate amount for all taxpayers of two  
87 million dollars (\$2,000,000) annually.

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

90 (e) (1) The income tax credit allowed under this section  
91 may be claimed beginning with the 2027 tax year and may not be  
92 claimed for tax years after the 2031 tax year, except for  
93 carry-forward as provided in subsection (d).

94 (2) A taxpayer shall not claim this income tax credit  
95 for more than three tax years.

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

98 Section 6. (a) The Reshoring and Domestic Production  
99 Loan Program is established and shall be administered by the  
100 department to provide low-interest loans to eligible  
101 facilities for site development and equipment acquisition.

102 (b) The amount of any low-interest loan shall not  
103 exceed 30 percent of qualifying investment expenditures.

104 (c) The department shall establish rules for  
105 application procedures and documentation requirements.

106 Section 7. (a) There is established the Chemical and  
107 Energy Trade Risk Assessment Board to evaluate vulnerabilities  
108 in chemical and energy trade flows and recommend strategic  
109 countermeasures.

110 (b) The board shall consist of five members, each  
111 appointed by the director of the department.

112 (c) (1) The first meeting shall be held by September 1,



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113 2026, at which time the board shall elect a chair.

114 (2) The board shall meet no less than annually and at  
115 the call of the chair.

116 (d) The board shall:

117 (1) Review supply chain dependencies;

118 (2) Identify trade vulnerabilities; and

119 (3) Recommend strategies for securing critical trade  
120 flows.

121 (e) The board shall issue a biennial report to the  
122 Governor and the Legislature on its activities, findings, and  
123 recommendations.

124 (f) Each member of the board shall be reimbursed at the  
125 same per diem and travel allowance amounts paid by law to  
126 state employees for each day of attendance of the business of  
127 the board.

128 Section 8. This act shall become effective on July 1,  
129 2026.