

HB637 INTRODUCED



1 HB637
2 U9YAJDX-1
3 By Representatives Holk-Jones, Fidler, Givens, Drummond,
4 Collins, Baker, Shaver
5 RFD: Ways and Means Education
6 First Read: 17-Mar-26



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SYNOPSIS:

Under existing law, certain organizations and vendors are exempt from payment of state, county, and municipal sales and use taxes.

Under existing law, the Alabama Gulf Coast Zoo was exempt from the payment of state, county, and municipal sales and use taxes for capital expenditures; however, this exemption expired on September 30, 2022.

This bill would reinstate the state portion of the exemption for all state sales and use taxes through September 30, 2028, and allow counties and municipalities to adopt local exemptions for the entity.

A BILL

TO BE ENTITLED

AN ACT

Relating to sales and use taxes; to amend Section 40-23-5, Code of Alabama 1975, to reinstate the exemption for the Alabama Gulf Coast Zoo from the payment of state sales and use taxes for capital expenditures, and to allow counties and municipalities to adopt local exemptions for the entity.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:



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29 Section 1. Section 40-23-5, Code of Alabama 1975, is
30 amended to read as follows:

31 "§40-23-5

32 (a) The Diabetes Trust Fund, Inc., and any of its
33 branches or agencies, heretofore or hereafter organized and
34 existing in good faith in the State of Alabama for purposes
35 other than for pecuniary gain and not for individual profit,
36 are exempted from paying any state, county, or municipal sales
37 or use taxes.

38 (b) The Chilton County Rescue Squad is exempted from
39 paying any sales or use taxes.

40 (c) The state headquarters only of the American
41 Legion; the American Veterans of World War II, Korea, and
42 Vietnam, also known as AMVETS; the Disabled American
43 Veterans; the Veterans of Foreign Wars, also known as VFW;
44 Alabama Goodwill Industries; and the Alabama Sight
45 Conservation Association are exempted from paying any state,
46 county, or municipal sales or use taxes.

47 (d) The Grand Chapter of all Orders of the Eastern Star
48 and the South Alabama State Fair Association Southeastern
49 Livestock Exposition of the State of Alabama and any of its
50 agencies, heretofore or hereafter organized and existing in
51 good faith in the State of Alabama for purposes other than for
52 pecuniary gain and not for individual profit, are exempted
53 from paying any state, county, or municipal sales and use
54 taxes.

55 (e) The Alabama Goodwill Industries, Inc., of
56 Birmingham is exempted from paying any state, municipal, or



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57 county sales and use taxes.

58 (f) The Alabama Federation of Women's Clubs is exempted
59 from paying any state, county, or municipal sales or use
60 taxes.

61 (g) The National Conference of State Legislatures and
62 the Council of State Governments are exempted from paying any
63 state, county, or municipal sales or use taxes.

64 (h) All blind vendors associated with the Business
65 Enterprise Program of the Department of Rehabilitation
66 Services are exempted from paying any state, county, or
67 municipal sales or use taxes.

68 (i) All vendors who are blind as defined by Section
69 1-1-3, and who are certified by the Department of
70 Rehabilitation Services, are exempted from paying any state,
71 county, or municipal sales or use taxes.

72 (j) The Elks Club, B.P.O.E., No. 1887, a corporation,
73 is exempted from paying any state, county, or municipal sales
74 or use taxes. ~~Provided, however, that,~~ as long as the
75 exemption provided by this subsection shall not extend to any
76 bar or dining room operation conducted by the Elks Club.

77 (k) The King's Ranch, Inc., is exempted from paying any
78 state, county, or municipal sales or use taxes.

79 (l) The Eye Foundation, Inc., and any of its branches
80 or agencies, heretofore ~~r~~ or hereafter organized and existing
81 in good faith in the State of Alabama for purposes other than
82 for pecuniary gain and not for individual profit, are exempted
83 from paying any state, county, or municipal sales or use
84 taxes.



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85 (m) Any county public hospital association or any
86 Alabama nonprofit membership corporation if one or more of its
87 members is a county public hospital association, and any of
88 its, or their, branches, agencies, lessees, or successors
89 organized pursuant to Section 10-3A-1 et seq., and which
90 operates or maintains hospitals for purposes other than for
91 pecuniary gain and not for individual profit, is exempted from
92 paying any state, county, or municipal sales and use tax of
93 any nature whatsoever. Any of the taxes ~~which~~that were or may
94 be assessed or collected subsequent to December 31, 1993,
95 against any Alabama nonprofit membership corporation or any
96 lessee of any county public hospital association organized as
97 herein stated, pursuant to a lease in writing, will be
98 remitted to the entity which paid them; ~~and~~. ~~no~~No action or
99 proceeding against the association or nonprofit corporation
100 may be instituted after the date by the State of Alabama or
101 any county or municipality thereof or any agent or person
102 acting on behalf thereof for the collection or enforcement of
103 any sales or use tax of any nature whatsoever.

104 (n) There is exempted from all state, county, and
105 municipal sales taxes the sale of food pursuant to the food
106 distribution program conducted by Christian Service Mission,
107 Inc., an Alabama ~~not-for-profit~~nonprofit corporation, in
108 cooperation with World Share, Inc., to enable needy persons to
109 purchase food at substantially discounted prices and in
110 consideration of the performance of charitable or community
111 work by such persons.

112 (o) Rescue service organizations operating within the



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113 State of Alabama which are exempt from federal income taxes
114 under ~~the Internal Revenue Code of 1986~~, 26 U.S.C. § 501(c)(3)
115 and which are members of the Alabama Rescue Services
116 Association, Incorporated, are exempted from any state,
117 county, and municipal sales and use taxes.

118 (p) Alabama Goodwill Industries, Inc., Goodwill
119 Industries of Mobile Area, Inc., and Goodwill Industries of
120 Central Alabama, Inc., are exempted from paying any state,
121 county, and municipal sales or use taxes.

122 (q) The gross receipts from the sale of admissions to a
123 sporting event conducted by the Senior Professional Golfers
124 Association are exempted from any state, county, and municipal
125 sales taxes.

126 (r) Volunteer, ~~non-profit~~nonprofit rescue units
127 operating within the state which do not meet the criteria in
128 subsection (o) but are licensed by the State Board of Health
129 are exempt from any state, county, and municipal sales and use
130 taxes.

131 (s) (1) The Birmingham Zoo, Inc., is exempt from paying
132 any state, county, and municipal sales and use taxes
133 associated with any and all capital expenditures but shall
134 continue to collect and remit all other taxes to the
135 appropriate taxing authorities.

136 (2) The exemption provided pursuant to subdivision (1)
137 shall be available until September 30, 2027.

138 (3) The Birmingham Zoo, Inc., shall report annually to
139 the Department of Revenue on the sales for which the exemption
140 is granted. The Department of Revenue shall prescribe the



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141 format of such annual report.

142 (t) (1) The Zoo Foundation, Inc., operating as the
143 Alabama Gulf Coast Zoo, or any successor entity, is exempt
144 from paying any state, ~~county, and municipal~~ sales and use
145 taxes ~~associated with any and all capital expenditures;~~
146 ~~provided, however, that any exemption of county sales and use~~
147 ~~taxes must first be authorized by resolution of the county~~
148 ~~commission~~. The Zoo Foundation, Inc., shall continue to
149 collect and remit all other taxes to the appropriate taxing
150 authorities.

151 (2) Any county or municipality may exempt the entity
152 from the payment of county or municipal sales and use taxes in
153 accordance with Section 40-23-4.01, provided that the
154 exemption shall follow the same terms, conditions, and
155 definitions as otherwise provided in this act, including the
156 sunset date provided in subdivision (3).

157 (3) The exemption provided pursuant to subdivision (1)
158 shall be available until September 30, ~~2022~~2028.

159 ~~(3)~~ (4) The Zoo Foundation, Inc., shall report annually
160 to the Department of Revenue on the sales for which the
161 exemption is granted. The Department of Revenue shall
162 prescribe the format of the annual report.

163 (u) The Josh Willingham Foundation is exempted from
164 paying any state, county, and municipal sales and use taxes.

165 (v) The Alabama Wildlife Center is exempt from paying
166 any state, county, and municipal sales and use taxes until
167 September 30, 2024."

168 Section 2. This act shall become effective on September



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169 1, 2026.