



## FISCAL NOTE

### House Bill 241

Committee: Ways and Means Education

Sponsor: Representative Danny Garrett

Analyst: Jennifer Farish

Date: 04/11/2023

**House Bill 241** as introduced establishes the Enhancing Economic Progress Act which would amend the Alabama Jobs Act and Growing Alabama Act.

This bill would extend the sunset date for the Alabama Jobs Act and the Growing Alabama Act set to expire July 31, 2023, under current law, to July 31, 2028. This bill would also provide the following annualized caps per year for the Alabama Jobs Act (currently \$350 million for 2022, increased incrementally \$25 million per year, up to \$475 million for 2027) and increase the Growing Alabama Act annual cap from \$20 million, under current law, to \$35 million.

This bill could decrease income and utility tax receipts to the Education Trust Fund (ETF), collectively, by the estimated maximum annual amounts listed below, which could be offset in whole or in part, from additional income and sales taxes resulting from economic activity at projects that would not otherwise have been completed but for the incentives provided pursuant to this bill. This bill could also decrease the state portion of the financial institution excise tax, insurance premium tax, and state public utilities license tax receipts to the State General Fund (SGF), collectively, by the estimated maximum annual amounts listed below. These amounts are estimated based on the historical proportion of Jobs Act and Growing Alabama tax credits claimed against revenue sources between the two funds.

<b>Calendar Year / Fiscal Year</b>	<b>Jobs Act Annualized Cap</b>	<b>Growing Alabama Act Cap</b>	<b>Maximum Estimated Increased Loss to ETF</b>	<b>Maximum Estimated Increased Loss to SGF</b>
2023 / 2024	\$375 million	\$35 million	\$33 million	\$7 million
2024 / 2025	\$400 million	\$35 million	\$57 million	\$8 million



2025 / 2026	\$425 million	\$35 million	\$80 million	\$10 million
2026 / 2027	\$450 million	\$35 million	\$103 million	\$12 million
2027 / 2028	\$475 million	\$35 million	\$126 million	\$14 million

Regarding the Alabama Jobs Act, this bill would also add “renewable energy generation” as a qualifying project under the Alabama Job Acts, sunsets utility taxes paid as being claimed as a jobs credit, and provides further for the transferability of investment credits.

This bill would also remove provisions regarding technology/accelerator companies from the Growing Alabama Act.

Pursuant to the provisions of the ETF Rolling Reserve Act contained in Section 29-9-3(b)(3), Code of Alabama 1975, the provisions of this act would reduce the ETF fiscal year appropriation cap for fiscal year 2024 by \$33 million.