



FISCAL NOTE

Senate Bill 49

Committee: Finance and Taxation Education Sponsor: Senator Arthur Orr

Analyst: JT Mathis Date: 03/20/2023

Senate Bill 49 as introduced would exempt the first \$10,000 of retirement income received by individuals who are 65 years of age and older from state income tax. According to the Department of Revenue, this would reduce income tax receipts to the Education Trust Fund (ETF) by the following estimated amounts in the following fiscal years:

Fiscal Year	Estimated Loss to ETF
2025	\$13.2 million
2026 and thereafter	\$13.7 million

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 will reduce the ETF fiscal year appropriation cap for fiscal year 2025 by \$13.2 million.