HB175 ENROLLED



- 1 OZQ3MM-3
- 2 By Representative Garrett
- 3 RFD: Ways and Means Education
- 4 First Read: 21-Mar-23
- 5 2023 Regular Session

HB175 Enrolled



1 Enrolled, An Act,

- Relating to income taxes; to provide a one-time refundable income tax credit to qualified taxpayers to partially offset the amount of sales taxes paid on groceries throughout the tax year; to create the Refundable Tax Credit Fund in the State Treasury; to provide that refundable credits would not be taxable for Alabama income tax purposes; and to provide an effective date.
- 11 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:
 - Section 1. In addition to any other transfers that may be provided by law, the state Comptroller shall direct from the Education Trust Fund to the Refundable Tax Credit Fund the amount needed to make the payments of the one-time refundable tax credit provided for in Section 2 of this act, as well as the amount necessary to offset the administrative cost for the implementation of this act to the Department of Revenue. The fund may accrue interest that shall be used to offset the administrative costs associated with the implementation of this act.
- Section 2. (a) As used in this section, the term

 "qualified taxpayer" means an individual taxpayer who filed an

 Alabama individual income tax return pursuant to the tax levied

 in Section 40-18-5, Code of Alabama 1975, on or before October

 17, 2022, for the taxable year that began on January 1, 2021,

 including any extensions which have been granted. The term

 shall not include:

HB175 Enrolled



29 (1) A nonresident.

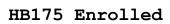
38

- 30 (2) An estate or trust.
- 31 (3) An individual who was claimed as a dependent by 32 another taxpayer for federal or Alabama income tax purposes for 33 the taxable year that began on January 1, 2021.
- 34 (b) Each qualified taxpayer is entitled to a one-time 35 refundable income tax credit to partially offset the amount of 36 sales tax paid on groceries in the taxable year in an amount 37 based on the qualified taxpayer's filing status for the taxable year that began on January 1, 2021, equal to:
- 39 (1) \$150 for single, head of family, and married filing separate. 40
- 41 (2) \$300 for married filing joint.
- (c) The refundable income tax credit shall be 42 43 electronically deposited into the bank account of the qualified taxpayer based on the appropriate information as indicated on 44 45 the return for the taxable year that began on January 1, 2021; 46 except for any qualified taxpayer of which the Department of 47 Revenue does not have bank account information, in which case 48 the refundable income tax credit shall be mailed by check to 49 the qualified taxpayer.
- 50 (d) The Alabama Department of Revenue shall commence 51 issuing refundable income tax credits no sooner than November 52 30, 2023.
- 53 (e) The refundable income tax credit shall not constitute taxable income for Alabama income tax purposes. The 54 55 refundable income tax credit provided under this section shall 56 not be subject to offset or debt collection against any

HB175 Enrolled



- 57 liability.
- (f) In no event shall the refundable income tax credit
- 59 provided accrue interest for the benefit of the qualified
- taxpayer or be paid or credited to the qualified taxpayer with
- 61 interest.
- (g) The Department of Revenue may adopt rules for the
- implementation and administration of this act.
- Section 3. It is not the intent of this act to make
- 65 appropriations, but the funding required to implement this act
- shall be made in a supplemental appropriations act.
- Section 4. In the event this act and Senate Bill 86 are
- 68 both enacted during the 2023 Regular Session, the refundable
- 69 income tax credit provided by this act shall prevail and the
- 70 refundable income tax credit in Senate Bill 86 shall be
- 71 inoperable.
- 72 Section 5. This act shall become effective immediately
- 73 following its passage and approval by the Governor, or its
- 74 otherwise becoming law.





75				
76				
77				
78				
79				
80				
81				
82		Speaker of the House of R	epresentatives	
83		-	-	
84				
85				
86				
87	President and Presiding Officer of the Senate			
88				
89				
90		House of Representatives		
91		1		
92	I	I hereby certify that the within Act originated in and		
93		ssed by the House 25-MAY-23, as amended.		
94	1	,		
95		John	Treadwell	
96		Clerk		
97				
98				
99				
100				
101	_		_	
102				
103				
104	Senate	01-Jun-23	Passed	
105	Deliace _	VI DUII-23		
105				
107	House	01-Jun-23	Concurred in	
	nouse	01-0uii-23		
108			Senate Amendment	