SB86 ENROLLED

1   P1PUEE-3
2   By Senator Orr
3   RFD: Conference Committee on SB86
4   First Read: 21-Mar-23
5   2023 Regular Session
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.

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:

(1) A nonresident.
(2) An estate or trust.

(3) An individual who was claimed as a dependent by another taxpayer for federal or Alabama income tax purposes for the taxable year that began on January 1, 2021.

(b) Each qualified taxpayer is entitled to a one-time refundable income tax credit to partially offset the amount of sales tax paid on groceries in the taxable year in an amount based on the qualified taxpayer’s filing status for the taxable year that began January 1, 2021, equal to:

(1) $150 for single, head of family, and married filing separate.

(2) $300 for married filing joint.

(c) The refundable income tax credit shall be electronically deposited into the bank account of the qualified taxpayer based on the appropriate information as indicated on the return for the taxable year that began January 1, 2021; except for any qualified taxpayer of which the Department of Revenue does not have bank account information, in which case the refundable income tax credit shall be mailed by check to the qualified taxpayer.

(d) The Alabama Department of Revenue shall commence issuing refundable income tax credits no sooner than November 30, 2023.

(e) The refundable income tax credit shall not constitute taxable income for Alabama income tax purposes. The refundable income tax credit provided under this section shall not be subject to offset or debt collection against any liability.
(f) In no event shall the refundable income tax credit provided accrue interest for the benefit of the qualified taxpayer or be paid or credited to the qualified taxpayer with 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 appropriations, but the funding required to implement this act shall be made in a supplemental appropriations act.

Section 4. This act shall become effective immediately following its passage and approval by the Governor, or its otherwise becoming law.
President and Presiding Officer of the Senate

Speaker of the House of Representatives

SB86
Senate 04-May-23
I hereby certify that the within Act originated in and passed the Senate, as amended.

Senate 25-May-23
I hereby certify that the within Act originated in and passed the Senate, as amended by Conference Committee Report.

Patrick Harris,
Secretary.

Amended and passed: 25-May-23
House of Representatives
Passed 25-May-23, as amended by Conference Committee Report.

By: Senator Orr