



FISCAL NOTE

House Bill 258

Committee: Ways and Means Education

Sponsor: Representative Chris England

Analyst: Riley Aaron

Date: 04/02/2024

REVISED

House Bill 258 as introduced would increase simplified sellers use tax (SSUT) collections by an estimated \$121 million annually, beginning in Fiscal Year 2025, to be distributed 80% to municipalities (\$97 million) and 20% to counties (\$24 million), on a pro rata basis, by levying an additional amount of SSUT at a rate calculated as follows. The average rates listed are the unweighted averages, as provided by the Alabama Department of Revenue (ADOR).

Tax	Tax Rate
General State Sales Tax Rate	4%
PLUS	
County General Sales Tax, average	2.39%
PLUS	
Municipal General Sales Tax, average	2.94%
LESS	
Current SSUT	8%
EQUALS	
Difference	1.33%
New Additional Levy (rounded to the nearest tenth)	1.3%

The bill would also provide for ADOR to recalculate this rate every five years, beginning September 1, 2029.

This bill would only be effective on the passage of House Bill 257, regarding the Alabama Adventure Awaits Sales Tax Holiday.