

1 SB26  
2 127818-2  
3 By Senator Ward  
4 RFD: Finance and Taxation Education  
5 First Read: 01-MAR-11  
6 PFD: 02/09/2011

2  
3  
4 ENGROSSED

5  
6  
7 A BILL  
8 TO BE ENTITLED  
9 AN ACT

10  
11 To provide a state income tax exemption for military  
12 personnel who maintain Alabama residency and who are on active  
13 duty deployed in a combat zone or a qualified hazardous duty  
14 area.

15 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

16 Section 1. (a) For purposes of this act, the  
17 following terms shall have the following meaning:

18 (1) COMBAT ZONE. An area that the President of the  
19 United States designates by Executive Order as an area in  
20 which the United States Armed Forces are engaging or have  
21 engaged in combat.

22 (2) MILITARY PERSONNEL. Any person who maintains  
23 Alabama residency and who is on active duty in the Armed  
24 Forces of the United States.

25 (3) QUALIFIED HAZARDOUS DUTY AREA. An area certified  
26 by the Department of Defense for locations where combat zone

1 tax benefits are recognized due to their support of military  
2 operations.

3 (b) Notwithstanding Section 40-18-3, Code of Alabama  
4 1975, all income received by military personnel as  
5 compensation for active duty service in a combat zone or a  
6 qualified hazardous duty area is exempt from state income  
7 taxes.

8 (c) The Commissioner of the Department of Revenue  
9 shall promulgate and implement rules necessary to carry out  
10 this section.

11 Section 2. This act shall become effective on the  
12 first day of the third month following its passage and  
13 approval by the Governor, or its otherwise becoming law.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
  
11  
12  
13  
14  
15  
16  
17

Senate

Read for the first time and referred to the Senate  
committee on Finance and Taxation Education ..... 01-MAR-11

Read for the second time and placed on the calen-  
dar 1 amendment..... 03-MAR-11

Read for the third time and passed as amended .... 24-MAR-11

Yeas 35  
Nays 0

Patrick Harris  
Secretary