

1 HB1
2 112458-1
3 By Representatives Knight, Salaam, Hammett, Newton (D), Guin,
4 Kennedy, Curtis, Letson, White, Dukes, Robinson (J), Taylor,
5 McLaughlin, Spicer, Millican, Gordon, Black, Vance, Thigpen,
6 Harper, Beasley, Coleman, Hinshaw, Graham, Page, Grantland,
7 Irons, Todd, Hall, Warren, Hurst, McCampbell, Jackson, Buskey,
8 Howard, Thomas (J), Boyd, Mitchell, McClammy, Baker (L),
9 Moore (M), Morrow, Hilliard, England, Fields, Fite,
10 Robinson (O), Lindsey and Sherer (Constitutional Amendment)
11 RFD: Education Appropriations
12 First Read: 12-JAN-10
13 PFD: 09/23/2009

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8 SYNOPSIS: This bill would propose an amendment to the
9 Constitution of Alabama of 1901, to repeal
10 Amendment 225 of the Constitution of Alabama of
11 1901, now appearing as Section 211.04 of the
12 Official Recompilation of the Constitution of
13 Alabama of 1901, as amended; to limit the state
14 income tax deduction for federal income taxes for
15 individual taxpayers; and to exempt sales of food
16 from state sales tax.

17
18 A BILL
19 TO BE ENTITLED
20 AN ACT
21

22 To propose an amendment to the Constitution of
23 Alabama of 1901, to repeal Amendment 225 of the Constitution
24 of Alabama of 1901, now appearing as Section 211.04 of the
25 Official Recompilation of the Constitution of Alabama of 1901,
26 as amended; to limit the state income tax deduction for

1 federal income taxes for individual taxpayers; and to exempt
2 sales of food from state sales tax.

3 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

4 Section 1. The following amendment to the
5 Constitution of Alabama of 1901, as amended, is proposed and
6 shall become valid as a part thereof when approved by a
7 majority of the qualified electors voting thereon and in
8 accordance with Sections 284, 285, and 287 of the Constitution
9 of Alabama of 1901, as amended:

10 PROPOSED AMENDMENT

11 (a) Amendment 225 of the Constitution of Alabama of
12 1901, now appearing as Section 211.04 of the Official
13 Recompilation of the Constitution of Alabama of 1901, as
14 amended, is repealed.

15 (b) For all tax years beginning after December 31,
16 2010, federal income taxes paid or accrued shall be allowed as
17 a deduction for individual income taxpayers, subject to the
18 following limitations:

19 (1) For single, married filing separately, and head
20 of household taxpayers with adjusted gross income of fifty
21 thousand dollars (\$50,000) or less, and for married taxpayers
22 filing jointly with adjusted gross income of one hundred
23 thousand dollars (\$100,000) or less, all federal income taxes
24 paid or accrued shall be allowed as a deduction.

25 (2) For single, married filing separately, and head
26 of household taxpayers with adjusted gross income of more than
27 fifty thousand dollars (\$50,000), the federal income tax

1 deduction shall be reduced by an amount equal to one percent
2 of federal income taxes paid or accrued for each one thousand
3 five hundred dollars (\$1,500) of adjusted gross income in
4 excess of fifty thousand dollars (\$50,000).

5 (3) For married taxpayers filing jointly with
6 adjusted gross income of more than one hundred thousand
7 dollars (\$100,000), the federal income tax deduction shall be
8 reduced by an amount equal to one percent of federal income
9 taxes paid or accrued for each three thousand dollars (\$3,000)
10 of adjusted gross income in excess of one hundred thousand
11 dollars (\$100,000).

12 (c) Beginning January 1, 2011, the sale of food
13 shall be exempt from state sales tax. Local governments shall
14 continue to levy sales taxes on food at the same rate
15 collected for the local portion of the retail sales tax. For
16 purposes of this amendment, food means food as defined for
17 food stamp purposes in the Federal Food Stamp Act, 7 U.S.C.
18 §2011, et seq., regardless of where or by what means food is
19 sold. Food does not include candy or soft drinks. Candy means
20 a preparation of sugar, honey, or other natural or artificial
21 sweeteners in combination with chocolate, fruit, nuts, or
22 other ingredients or flavorings in the form of bars, drops, or
23 pieces. Candy shall not include any preparation containing
24 flour and shall require no refrigeration. Soft drinks means
25 non-alcoholic beverages that contain natural or artificial
26 sweeteners. Soft drinks do not include beverages that contain
27 milk or milk products, soy, rice, or similar milk substitutes,

1 or greater than 50 percent of vegetable or fruit juice by
2 volume. In the event that the federal food stamp definition no
3 longer exists, the Legislature shall provide a new definition
4 of food by general law.

5 Section 2. An election upon the proposed amendment
6 shall be held in accordance with Sections 284 and 285 of the
7 Constitution of Alabama of 1901, as amended, and the election
8 laws of this state.

9 Section 3. The appropriate election official shall
10 assign a ballot number for the proposed constitutional
11 amendment on the election ballot and shall set forth the
12 following description of the substance or subject matter of
13 the proposed constitutional amendment:

14 "Proposing an amendment to the Constitution of
15 Alabama of 1901, to repeal Amendment 225 of the Constitution
16 of Alabama of 1901, now appearing as Section 211.04 of the
17 Official Recompilation of the Constitution of Alabama of 1901,
18 as amended; to limit the state income tax deduction for
19 federal income taxes for individual taxpayers; and to exempt
20 sales of food from state sales tax.

21 "Proposed by Act _____."

22 This description shall be followed by the following
23 language:

24 "Yes () No ()."