

1 HB173  
2 216233-1  
3 By Representatives Holmes, Fincher, Wingo, Meadows, Paschal  
4 and Mooney (Constitutional Amendment)  
5 RFD: Ways and Means Education  
6 First Read: 18-JAN-22

8 SYNOPSIS: Under existing law, the state imposes sales  
9 or use taxes upon certain persons, firms, or  
10 corporations. Sales of certain items are taxed at a  
11 reduced rate. Sales of other items are exempt from  
12 the taxes.

13 This bill would exempt sales of food from  
14 state sales and use taxes beginning January 1,  
15 2023.

16 Under existing law, individual income  
17 taxpayers are allowed to deduct the amount of  
18 federal income taxes paid or accrued within the  
19 year.

20 This bill would amend Amendment 225 to the  
21 Constitution of Alabama of 1901, now appearing as  
22 Section 211.04 of the Official Recompilation of the  
23 Constitution of Alabama of 1901, as amended; to  
24 limit the amount of federal income taxes paid or  
25 accrued an individual income taxpayer can deduct to  
26 a maximum of \$4,000 for individuals filing as  
27 single, head of household, and married filing

1                   separately and \$8,000 for individuals filing as  
2                   married filing jointly.

3  
4                                   A BILL  
5                                   TO BE ENTITLED  
6                                   AN ACT

7  
8                   To propose an amendment to the Constitution of  
9                   Alabama of 1901, as amended; to exempt sales of food from  
10                  state sales and use taxes; and to amend Amendment 225 to the  
11                  Constitution of Alabama of 1901, now appearing as Section  
12                  211.04 of the Official Recompilation of the Constitution of  
13                  Alabama of 1901, as amended; limiting the amount of federal  
14                  income taxes paid or accrued an individual income taxpayer can  
15                  deduct.

16                  BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

17                  Section 1. The following amendment to the  
18                  Constitution of Alabama of 1901, as amended, is proposed and  
19                  shall become valid as a part thereof when approved by a  
20                  majority of the qualified electors voting thereon and in  
21                  accordance with Sections 284, 285, and 287 of the Constitution  
22                  of Alabama of 1901, as amended:

23                                   PROPOSED AMENDMENT

24                  Part I. (a) For purposes of this constitutional  
25                  amendment, the following term is defined as follows:

26                  FOOD. Food as defined in 7 U.S.C § 2011, et seq.,  
27                  for the purposes of the federal Supplemental Nutrition

1 Assistance Program regardless of where or by what means food  
2 is sold. In the event that the federal Supplemental Nutrition  
3 Assistance Program definition no longer exists, the  
4 Legislature shall provide a new definition of food by general  
5 law.

6 (b) Notwithstanding any other provision of law, for  
7 taxable periods beginning on and after January 1, 2023, gross  
8 receipts from the sale or use of food shall be exempt from  
9 state sales and use taxes. Local governments shall continue to  
10 collect sales taxes on food at the same rate collected for the  
11 local portion of the retail sales tax.

12 Part II. Amendment 225 of the Constitution of  
13 Alabama of 1901, now appearing as Section 211.04 of the  
14 Official Recompilation of the Constitution of Alabama of 1901,  
15 is hereby amended to read as follows:

16 "Amendment No. 225

17 "In computing net income for state income tax  
18 purposes for the calendar year 1965 and each year thereafter,  
19 a resident individual taxpayer shall be allowed to deduct from  
20 his gross income the amount of federal income tax paid or  
21 accrued within the taxable year. A nonresident individual  
22 income taxpayer shall be allowed to deduct only that amount of  
23 federal income tax paid or accrued in the taxable year on  
24 income received from sources within the state. For tax years  
25 that begin after December 31, 2022, an individual taxpayer  
26 filing as single, head of household, and married filing  
27 separately shall not deduct more than four thousand dollars

1 (\$4,000) in federal income tax paid or accrued within the  
2 taxable year. For tax years that begin after December 31,  
3 2022, an individual taxpayer filing as married filing jointly  
4 shall not deduct more than eight thousand dollars (\$8,000) in  
5 federal income taxes paid or accrued within the taxable year."

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

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

17 "Proposing an amendment to the Constitution of  
18 Alabama of 1901, to exempt sales of food from state sales and  
19 use taxes; to amend Amendment 225 of the Constitution of  
20 Alabama of 1901, now appearing as Section 211.04 of the  
21 Official Recompilation of the Constitution of Alabama of 1901,  
22 as amended, to limit the amount an individual taxpayer filing  
23 as single, head of household, and married filing separately  
24 can deduct in federal income taxes paid to a maximum of four  
25 thousand dollars (\$4,000); and to limit the amount an  
26 individual taxpayer filing as married filing jointly can

1 deduct in federal income taxes paid to a maximum of eight  
2 thousand dollars (\$8,000)."

3 "Proposed by Act \_\_\_\_\_."

4 This description shall be followed by the following  
5 language:

6 "Yes ( ) No ( )."