

1 SB157
2 216062-4
3 By Senators Barfoot, McClendon, Stutts, Livingston, Holley,
4 Albritton, Allen, Chesteen, Sessions, Scofield, Marsh, Weaver,
5 Roberts, Williams, Waggoner and Gudger
6 RFD: Agriculture, Conservation and Forestry
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8 SYNOPSIS: This bill would authorize taxpayers to
9 receive a tax credit for contributions to logging
10 support organizations.

11 This bill would provide for logging support
12 organizations to make grants for maintenance and
13 construction of rural bridges and for installation
14 of onboard scales and other technologies that
15 promote transportation efficiencies.

16 This bill would also provide for exceptions
17 to weight restrictions for qualifying vehicles used
18 in forest commerce.

19
20 A BILL
21 TO BE ENTITLED
22 AN ACT

23
24 Relating to rural economic development; to establish
25 the Rural Logging Support Act of 2022; to authorize individual
26 and corporate taxpayers to make contributions to logging
27 support organizations and receive a tax credit for the

1 contributions under certain conditions; and to provide for
2 logging support organizations to make grants for maintenance
3 and construction of rural bridges and for the installation of
4 onboard scales and other technologies that promote
5 transportation efficiencies.

6 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

7 Section 1. This act shall be known and may be cited
8 as the Rural Logging Support Act of 2022.

9 Section 2. (a) The Legislature finds and declares
10 all of the following:

11 (1) The forest product manufacturing sector is a
12 large contributor to the state's economy.

13 (2) In order to have a successful forest product
14 manufacturing sector, it is imperative that the supply chain
15 for forest raw materials be as competitive and efficient as
16 possible.

17 (3) Logging companies are a vital link of the forest
18 supply chain system and it is critical for the state's economy
19 that these companies have every opportunity to be successful.

20 (b) Therefore, it is the intent of the Legislature
21 to do both of the following:

22 (1) Provide a stable funding source to address
23 maintenance and replacement of bridges that may not qualify
24 for funding through traditional funding formulas utilized by
25 the state and counties to distribute revenues generated by
26 fuel taxes.

1 (2) Provide financial assistance for loggers to
2 utilize technologies that enhance operational efficiencies.

3 Section 3. (a) As used in this section, the
4 following words and phrases have the following meanings:

5 (1) LOGGING SUPPORT ORGANIZATION. Any organization
6 that grants funding for repair and maintenance of bridges that
7 may not qualify for traditional funding formulas, and provides
8 financial assistance for loggers to install onboard scales and
9 other technologies that promote transportation efficiencies.

10 (2) ONBOARD SCALE. A technological device installed
11 on a truck to determine the approximate loaded weight of the
12 truck. An onboard scale shall not be considered a portable
13 scale for purposes of Section 32-9-20, Code of Alabama 1975.

14 (b) (1) A taxpayer who files a state income tax
15 return and is not a dependent of another taxpayer may claim a
16 credit for a contribution made to a logging support
17 organization.

18 (2) The tax credit may be claimed by an individual
19 taxpayer or a married couple filing jointly in an amount equal
20 to the total contributions made to a logging support
21 organization during the taxable year for which the credit is
22 claimed, but may not exceed 50 percent of the tax liability of
23 the taxpayer.

24 (3) The tax credit may be claimed by a corporate
25 taxpayer in an amount equal to the total contributions made to
26 a logging support organization during the taxable year for

1 which the credit is claimed, but may not exceed 50 percent of
2 the tax liability of the taxpayer.

3 (4) The cumulative amount of the tax credits issued
4 pursuant to subdivision (2) and (3) shall not exceed
5 twenty-five million dollars (\$25,000,000) annually. The
6 Department of Revenue shall develop a procedure to ensure that
7 the cap is not exceeded and shall also prescribe the various
8 methods by which these credits are to be issued.

9 (5) A corporate taxpayer, an individual taxpayer, or
10 a married couple filing jointly may carry forward a tax credit
11 for three years.

12 (6) The tax credit allowed under this act shall be
13 effective January 1, 2023, for the 2023 taxable year.

14 (c) A logging support organization shall do all of
15 the following:

16 (1) Notify the Department of Revenue of its intent
17 to provide financial support to logging activities in the form
18 of grants.

19 (2) Demonstrate to the Department of Revenue that it
20 has been granted exemption from the federal income tax as an
21 organization described in Section 501(c)(3) of the Internal
22 Revenue Code.

23 (3) Distribute periodic grants for the maintenance,
24 replacement, and construction of bridges, and grants for
25 loggers to install onboard scales and other new technologies
26 that promote logging transportation efficiencies.

1 (4) Provide receipts in a form approved by the
2 Department of Revenue for contributions by taxpayers to the
3 logging support organization.

4 (5) Ensure that at least 90 percent of its annual
5 contributions from taxpayers is deposited into a separate
6 investment account and that all income from the investment
7 account is distributed as set forth in subdivision (3).

8 (6) Ensure that all direct payments for onboard
9 scales and other technology improvements are made to loggers
10 that operate primarily in rural locations.

11 (7) Report to the Department of Revenue by June 1 of
12 each year all of the following information prepared by a
13 certified public accountant regarding its grants distributed
14 during the previous calendar year:

15 a. The name and address of the logging support
16 organization.

17 b. The total number and total dollar amount of
18 taxpayer contributions received during the previous calendar
19 year.

20 c. The total number and total dollar amount of
21 grants awarded during the previous calendar year.

22 (8) Ensure that no taxpayer contributions are made
23 to benefit specifically designated grant recipients.

24 (9) Ensure that grants are provided in a manner that
25 does not discriminate based on gender, race, or disability
26 status of the applicant.

1 (d) (1) The Department of Revenue shall adopt rules
2 consistent with this section as necessary.

3 (2) The Department of Revenue shall provide a
4 standardized format for a receipt to be issued by a logging
5 support organization to a taxpayer to indicate the value of a
6 contribution received.

7 (3) The Department of Revenue shall require a
8 taxpayer to provide a copy of the receipt when claiming the
9 tax credit pursuant to this section.

10 (4) The Department of Revenue may bar a logging
11 support organization from participating in the tax credit
12 program if the Department of Revenue establishes that the
13 logging support organization has intentionally and
14 substantially failed to comply with the requirements in
15 subsection (b) or subsection (c).

16 (e) All applicants for grants from a logging support
17 organization shall be required to operate in Alabama.

18 Section 4. (a) As used in this section, the
19 following words and phrases have the following meanings:

20 (1) FOREST COMMERCE. The transportation, delivery,
21 and sale of forest product materials to a forest product
22 manufacturer.

23 (2) FOREST PRODUCT MANUFACTURER. A business or
24 entity that processes forest product materials for sale to
25 another party.

1 (3) FOREST PRODUCT MATERIALS. Logs, pulpwood, poles,
2 residual chips, inwoods pulpwood chips, and stumpwood
3 (tarwood).

4 (4) QUALIFYING VEHICLE. A truck tractor and trailer
5 that:

6 a. Is either equipped with an onboard scale or that
7 has been weighed by portable scales at the time of loading and
8 has documentation available to verify the approximate loaded
9 weight; and

10 b. Is equipped with an occupant protection device,
11 commonly known as a cab guard, headache rack, cab rack, header
12 board, header rack, or front end structure, firmly mounted
13 between the cargo and the driver. The device is intended to
14 protect the driver from forward shifting loads by preventing
15 penetration or crushing of the driver's compartment. The
16 device may be mounted to the frame of the truck tractor or
17 trailer.

18 (b) Any qualifying vehicle transporting forest
19 product materials to a forest product manufacturer while
20 participating in forest commerce shall not be required to
21 conform to the axle requirements of paragraph (a) (4)a. of
22 Section 32-9-20, Code of Alabama 1975, or the gross weight
23 requirements or the axle spacing and distance requirements of
24 paragraph (a) (4)c. of Section 32-9-20, Code of Alabama 1975,
25 provided that the total gross weight does not exceed 84,400
26 pounds for a 5-axle configuration or 90,400 pounds for a

1 6-axle configuration and the weight on any one axle does not
2 exceed 23,400 pounds.

3 (c) The provisions of paragraph (a)(4)d. of Section
4 32-9-20, Code of Alabama 1975, setting forth a scale or
5 enforcement tolerance apply to this subsection.

6 Section 5. This act shall become effective
7 immediately following its passage and approval by the
8 Governor, or its otherwise becoming law.