

1 HB517  
2 219183-1  
3 By Representatives Grimsley, Rafferty, Lawrence, Warren,  
4 Howard, Jones (S), Bracy, Daniels, Jackson, Gray and Alexander  
5 RFD: Ways and Means Education  
6 First Read: 17-MAR-22

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

This bill would exempt sales of food from the sales and use taxes from July 1, 2022 to December 31, 2022.

A BILL  
TO BE ENTITLED  
AN ACT

To exempt sales of food from the sales and use taxes from July 1, 2022 through December 31, 2022.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. For purposes of Section 2 of this act, the following terms are defined as follows:

(1) FOOD. Food as defined in 7 U.S.C §2011, et seq., 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 (2) SALES TAX. The tax levied in Section 40-23-2,  
7 Code of Alabama 1975, on the gross sales or gross receipts  
8 from the sale of tangible personal property.

9 (3) USE TAX. The tax levied in Section 40-23-61,  
10 Code of Alabama 1975, on the storage, use, or other  
11 consumption of tangible personal property in Alabama.

12 Section 2. Notwithstanding any other provision of  
13 law, for taxable periods beginning on and after July 1, 2022  
14 through December 31, 2022, the gross receipts from the sale or  
15 use of food shall be exempt from the state sales and use  
16 taxes. Local governments shall continue to collect sales taxes  
17 on food at the same rate collected for the local portion of  
18 the retail sales tax.

19 Section 3. This act shall become effective  
20 immediately following its passage and approval by the  
21 Governor, or its otherwise becoming a law.