

HB15 INTRODUCED



1 XD60EZ-1
2 By Representative England
3 RFD: County and Municipal Government
4 First Read: 07-Mar-23
5 PFD: 08-Feb-23



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SYNOPSIS:

Under existing law, the state and many counties and municipalities impose sales or use taxes upon certain persons, firms, or corporations. Sales and use taxes levied by counties and municipalities are collected and administered in the same manner as the state sales and use taxes, except for the tax rate. Items subject to the sales and use tax levied by the state are generally subject to local sales and use taxes. Counties and municipalities do not have the authority to establish a reduced sales tax rate for individual items or exempt items from local sales and use tax. This bill would authorize the governing body of a municipality to reduce or eliminate its local sales and use tax rate on food.

A BILL
TO BE ENTITLED
AN ACT

Relating to any municipality; to authorize the governing body of a municipality to reduce or eliminate its local sales and use tax rate on food; and to provide an effective date.



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29 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

30 Section 1. For the purposes of this act, the following
31 terms have the following meanings:

32 (1) FOOD. Food as defined in 7 U.S.C. § 2011, et seq.,
33 for the purposes of the federal Supplemental Nutrition
34 Assistance Program regardless of where or by what means food
35 is sold. If the federal Supplemental Nutrition Assistance
36 Program definition no longer exists, the Legislature shall
37 provide a new definition of food by general law.

38 (2) LOCAL SALES TAX. A tax levied by the governing body
39 of a municipality pursuant to a general or local act on the
40 gross sales or receipts from the sale of tangible personal
41 property.

42 (3) LOCAL USE TAX. A tax levied by the governing body
43 of a municipality pursuant to a general or local act on the
44 storage, use, or other consumption of tangible personal
45 property.

46 Section 2. (a) The governing body of a municipality may
47 at any time reduce or eliminate its local sales and use tax
48 rate on food, provided that the proposal shall have been (1)
49 proposed by the governing body after a public hearing on the
50 issue; and (2) approved by resolution of the governing body.
51 Any reduction or elimination of the local sales and use tax
52 rate made pursuant to this section shall not become effective
53 until the fiscal year following approval of the resolution by
54 the city council.

55 (b) The governing body of a municipality that reduces
56 or eliminates its local sales and use tax rate on food



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57 pursuant to subsection (a) may subsequently increase the rate
58 or levy a new tax on food by following the process outlined in
59 subsection (a).

60 Section 3. This act shall become effective on the first
61 day of the third month following its passage and approval by
62 the Governor, or its otherwise becoming law.