

HB115 ENGROSSED



1 G88022-2
2 By Representative Garrett
3 RFD: Ways and Means Education
4 First Read: 21-Mar-23
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HB115 Engrossed

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A BILL
TO BE ENTITLED
AN ACT

Relating to individual income taxes; to amend Section 40-18-5, Code of Alabama 1975, to phase-in a reduction in the top tax rate from five percent to four and ninety-five hundredths percent.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 40-18-5, Code of Alabama 1975, is amended to read as follows:

"§40-18-5

The tax levied and imposed by Section 40-18-2 shall be computed as follows:

(1) For a single person, head of family, or married persons filing separate returns:

a. Two percent of taxable income not in excess of five hundred dollars (\$500).

b. Four percent of taxable income in excess of five hundred dollars (\$500) and not in excess of three thousand dollars (\$3,000).

c. ~~Five percent of~~ For taxable income in excess of three thousand dollars (\$3,000) ~~:~~



HB115 Engrossed

- 29 1. Five percent through tax year 2022 2023.
- 30 2. Four and ninety-nine hundredths percent for tax year
31 2023 2024.
- 32 3. Four and ninety-eight hundredths percent for tax
33 year 2024 2025.
- 34 4. Four and ninety-seven hundredths percent for tax
35 year 2025 2026.
- 36 5. Four and ninety-six hundredths percent for tax year
37 2026-2027.
- 38 6. Four and ninety-five hundredths percent for tax year
39 2027 2028 and each tax year thereafter.
- 40 (2) For married persons filing a joint return:
- 41 a. Two percent of taxable income not in excess of one
42 thousand dollars (\$1,000).
- 43 b. Four percent of taxable income in excess of one
44 thousand dollars (\$1,000) and not in excess of six thousand
45 dollars (\$6,000).
- 46 c. ~~Five percent of~~ For taxable income in excess of six
47 thousand dollars (\$6,000) :-
- 48 1. Five percent through tax year 2022 2023.
- 49 2. Four and ninety-nine hundredths percent for tax year
50 2023 2024.
- 51 3. Four and ninety-eight hundredths percent for tax
52 year 2024 2025.
- 53 4. Four and ninety-seven hundredths percent for tax
54 year 2025 2026.
- 55 5. Four and ninety-six hundredths percent for tax year
56 2026 2027.



HB115 Engrossed

57 6. Four and ninety-five hundredths percent for tax year
58 2027 2028 and each tax year thereafter.

59 Section 2. This act shall become effective on the first
60 day of the third month following its passage and approval by
61 the Governor, or its otherwise becoming law.



HB115 Engrossed

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House of Representatives

Read for the first time and referred21-Mar-23
to the House of Representatives
committee on Ways and Means
Education
Read for the second time and placed05-Apr-23
on the calendar:
1 amendment
Read for the third time and passed06-Apr-23
as amended
Yeas 105
Nays 0
Abstains 0

John Treadwell
Clerk