

**HB116 ENGROSSED**



1 OZZTWW-2  
2 By Representative Garrett  
3 RFD: Ways and Means Education  
4 First Read: 21-Mar-23  
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# HB116 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 eliminate the two percent tax rate on the first five hundred dollars (\$500) of taxable income for single persons, heads of families, and married persons filing separate returns and would also eliminate the two percent tax rate on the first one thousand dollars (\$1,000) of taxable income for married persons filing a joint return.

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) through tax year ~~2022~~ 2023. Beginning with tax year ~~2023~~ 2024, taxable income not in excess of five



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29 hundred dollars (\$500) shall be exempt.

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

33           c. Five percent of taxable income in excess of three  
34 thousand dollars (\$3,000).

35           (2) For married persons filing a joint return:

36           a. Two percent of taxable income not in excess of one  
37 thousand dollars (\$1,000) through tax year ~~2022~~ 2023.

38 Beginning with tax year ~~2023~~ 2024, taxable income not in  
39 excess of one thousand dollars (\$1,000) shall be exempt.

40           b. Four percent of taxable income in excess of one  
41 thousand dollars (\$1,000) and not in excess of six thousand  
42 dollars (\$6,000).

43           c. Five percent of taxable income in excess of six  
44 thousand dollars (\$6,000)."

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



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## House of Representatives

Read for the first time and referred .....21-Mar-23  
to the House of Representatives  
committee on Ways and Means  
Education  
Read for the second time and placed .....05-Apr-23  
on the calendar:  
1 amendment  
Read for the third time and passed .....06-Apr-23  
as amended  
Yeas 105  
Nays 0  
Abstains 0

John Treadwell  
Clerk