

1 SB414
2 201001-2
3 By Senator Chesteen
4 RFD: Finance and Taxation Education
5 First Read: 16-MAY-19

SYNOPSIS: Under existing law, active duty members of the United States Marine Corps, Navy, Air Force, Army, Coast Guard, or Alabama National Guard do not have an option for deducting their active duty military pay and allowances on their Alabama individual income tax returns while stationed outside of the State of Alabama.

This bill would grant a deduction to active duty members of the U.S. Armed Forces on the Alabama individual income tax return for active duty military pay and allowances.

This bill also would require the service member to certify annually to the Department of Revenue his or her current residence status and would require the Department of Revenue to promulgate rules necessary for the enforcement of this act.

A BILL
TO BE ENTITLED

1 AN ACT

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3 To provide for a deduction on the Alabama individual
4 income tax return for active duty military pay and allowances
5 for residents stationed out of the state; and to require the
6 Department of Revenue to promulgate rules.

7 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

8 Section 1. (a) Active duty Alabama residents not
9 currently residing in the state may deduct military pay and
10 allowances received by them during the taxable year for active
11 duty service in the United States Marine Corps, Navy, Air
12 Force, Army, Coast Guard, or Alabama National Guard which is
13 not otherwise allowable as a deduction or exclusion from
14 Alabama adjusted gross income for the taxable year. The
15 deduction may not be claimed for military pay and allowances
16 received by the taxpayer while the taxpayer is stationed in
17 this state.

18 (b) The taxpayer shall certify annually his or her
19 residence status in order to claim this deduction on forms
20 provided by the Department of Revenue.

21 Section 2. The Department of Revenue shall
22 promulgate rules necessary for the enforcement of this act.

23 Section 3. This act shall become effective for the
24 taxable years beginning after December 31, 2019, and following
25 its passage and approval by the Governor, or upon its
26 otherwise becoming law.