

1 HB131
2 203716-2
3 By Representative Sorrell
4 RFD: Ways and Means Education
5 First Read: 04-FEB-20

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

13 This bill would phase out the state sales
14 and use taxes on food by reducing the rates by one
15 fifth of a percentage point over an twenty-part
16 reduction schedule beginning September 1, 2021.

17
18 A BILL
19 TO BE ENTITLED
20 AN ACT
21

22 To phase out the state sales and use taxes on food
23 by reducing the rate by one fifth of a percentage point over
24 an twenty-part reduction schedule beginning September 1, 2021.
25 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

1 (1) FOOD. Food as defined in 7 U.S.C. §2011, et
2 seq., for the purposes of the federal Supplemental Nutrition
3 Assistance Program regardless of where or by what means food
4 is sold. In the event that the federal Supplemental Nutrition
5 Assistance Program definition no longer exists, the
6 Legislature shall provide a new definition of food by general
7 law.

8 (2) SALES TAX. The tax levied in Section 40-23-2,
9 Code of Alabama 1975, on the gross sales or gross receipts
10 from the sale of tangible personal property.

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

14 Section 2. Notwithstanding any other provisions of
15 law,

16 (a) For the following taxable periods beginning on
17 and after September 1, 2021, the state sales and use tax rate
18 on food shall be the following percentages of the gross re-
19 ceipts from the sale or use of food.

20	Wednesday, September 1, 2021	3.8%
21	Thursday, September 1, 2022	3.6%
22	Friday, September 1, 2023	3.4%
23	Sunday, September 1, 2024	3.2%
24	Monday, September 1, 2025	3.0%
25	Tuesday, September 1, 2026	2.8%

1	Wednesday, September 1, 2027	2.6%
2	Friday, September 1, 2028	2.4%
3	Saturday, September 1, 2029	2.2%
4	Sunday, September 1, 2030	2.0%
5	Monday, September 1, 2031	1.8%
6	Wednesday, September 1, 2032	1.6%
7	Thursday, September 1, 2033	1.4%
8	Friday, September 1, 2034	1.2%
9	Saturday, September 1, 2035	1.0%
10	Monday, September 1, 2036	0.8%
11	Tuesday, September 1, 2037	0.6%
12	Wednesday, September 1, 2038	0.4%
13	Thursday, September 1, 2039	0.2%

14 (b) For taxable periods beginning on and after
15 September 1, 2040, the gross receipts from the sale or use of
16 food shall be exempt from the state sales and use taxes.

17 Section 3. This act shall become effective on the
18 first day of the third month following its passage and
19 approval by the Governor, or its otherwise becoming a law.