

1 HB185
2 204151-1
3 By Representative Lee
4 RFD: Ways and Means Education
5 First Read: 02-FEB-21
6 PFD: 01/28/2021

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 Alabama.

This bill would grant a deduction to active duty members of the U.S. Armed Forces on their 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 adopt rules necessary for the enforcement of the act.

A BILL
TO BE ENTITLED
AN ACT

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

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

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

(c) The Department of Revenue shall adopt rules necessary for the enforcement of this act.

Section 2. This act shall become effective for the taxable years beginning after December 31, 2020, and following its passage and approval by the Governor, or its otherwise becoming law.