

1 HB387  
2 210008-1  
3 By Representative Hatcher  
4 RFD: Ways and Means Education  
5 First Read: 09-FEB-21

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8 SYNOPSIS: Under existing law, various entities are  
9 exempt from state and local taxation.

10 This bill would provide that the Alabama  
11 State Missionary Baptist Convention, Incorporated  
12 and each local Baptist association which is a  
13 member in good standing of the convention, and all  
14 real and personal property of the convention and  
15 each association and All Collaborated To Serve The  
16 Community Development Corporation would be exempt  
17 from the payment of ad valorem and sales and use  
18 taxes.

19  
20 A BILL  
21 TO BE ENTITLED  
22 AN ACT  
23

24 To amend Section 40-9-12, Code of Alabama 1975,  
25 relating to tax exemptions; to provide that the Alabama State  
26 Missionary Baptist Convention, Incorporated, and each local  
27 Baptist association which is a member in good standing of the

1 convention, would be exempt from the payment of ad valorem and  
2 sales and use taxes.

3 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

4 Section 1. Section 40-9-12, Code of Alabama 1975, is  
5 amended to read as follows:

6 "§40-9-12.

7 "(a) The National Foundation's Alabama Field  
8 Offices, all Young Men's Hebrew Associations (Y.M.H.A.) also  
9 known as Jewish Community Centers (J.C.C.), and all real and  
10 personal property of all Young Men's Hebrew Associations  
11 (Y.M.H.A.) also known as Jewish Community Centers (J.C.C.),  
12 the Alabama State Missionary Baptist Convention, Incorporated,  
13 and each local Baptist association which is a member in good  
14 standing of the convention, and all real and personal property  
15 of the convention and each association, and All Collaborated  
16 To Serve The Community Development Corporation, the Seamen's  
17 Home of Mobile, incorporated under Act No. 145, Acts of  
18 Alabama 1844-45, the Girl Scouts of America and the Boy Scouts  
19 of America, and any council, troop or other subdivision  
20 thereof now existing or hereafter created and all real and  
21 personal property of the Girl Scouts of America and the Boy  
22 Scouts of America, and any council, troop or other subdivision  
23 thereof now existing or hereafter created, the Catholic  
24 Maritime Club of Mobile, Inc., the Knights of Pythias Lodges,  
25 the Salvation Army, Inc., the Elks Memorial Center, and all  
26 real and personal property of the Salvation Army, Inc., and  
27 the Elks Memorial Center, all United Way organizations and

1 United Way member agencies in Alabama, other qualifying united  
2 appeal funds and their recipients as provided in subsection  
3 (d), and the real and personal property of all United Way  
4 organizations and United Way member agencies in Alabama, other  
5 qualifying united appeal funds and their recipients as  
6 provided in subsection (d), and the Alabama Masonic Home, the  
7 American Cancer Society, and all real and personal property of  
8 American Cancer Society, the New Hope Industries of Dothan,  
9 and all real and personal property of the New Hope Industries  
10 of Dothan, the Helping Hand Club of Anniston, and all real and  
11 personal property of the Helping Hand Club of Anniston,  
12 Childhaven, Inc., and all real and personal property of  
13 Childhaven, Inc., Presbyterian Home for Children and all real  
14 and personal property of Presbyterian Home for Children,  
15 Freewill Baptist Children's Home and all real and personal  
16 property of Freewill Baptist Children's Home, Methodist Homes  
17 for the Aging and all real and personal property of Methodist  
18 Homes for the Aging, and United Methodist Children's Home and  
19 all real and personal property of United Methodist Children's  
20 Home, Birmingham Building Trades Towers of Birmingham,  
21 Alabama, a nonprofit corporation, the Holy Comforter House,  
22 Inc., of Gadsden, Alabama, a nonprofit corporation, the  
23 University of Alabama Huntsville Foundation and all real and  
24 personal property of the University of Alabama Huntsville  
25 Foundation, the Birmingham Football Foundation, Inc., a  
26 nonprofit corporation, and all real and personal property of  
27 the Birmingham Football Foundation, Inc., and of any branch or

1 department of any of same heretofore or hereafter organized  
2 and existing in good faith in the State of Alabama, for other  
3 than pecuniary gain and not for individual profit, when such  
4 real or personal property shall be used by such associations  
5 or nonprofit corporations, their branches or departments in  
6 and about the conducting, maintaining, operating and carrying  
7 out of the program, work, principles, objectives, and policies  
8 of such associations or nonprofit corporations, their branches  
9 or departments, in any city or county of the State of Alabama,  
10 are exempt from the payment of any and all state, county, and  
11 municipal taxes, licenses, fees, and charges of any nature  
12 whatsoever, including any privilege or excise tax heretofore  
13 or hereafter levied by the State of Alabama or any county or  
14 municipality thereof. The receipt, assessment or collection of  
15 any fee, admission, service charge, rent, dues, or any other  
16 item or charge by any such association or nonprofit  
17 corporation, its branches or departments from any person,  
18 firm, or corporation for any services rendered by any such  
19 association or nonprofit corporation, its branches or  
20 departments or for the use or occupancy of any real or  
21 personal property of any such association or nonprofit  
22 corporation, its branches or departments in or about the  
23 conducting, maintaining, operating, and carrying out of the  
24 program, work, principles, objectives, and policies of any  
25 such association or nonprofit corporation, its branches, or  
26 departments shall not be held or construed by any court,  
27 agency, officer, or commission of the State of Alabama, or any

1 county or municipality thereof, to constitute pecuniary gain  
2 or individual profit by any such association or nonprofit  
3 corporation, its branches or departments, or the doing of  
4 business in such a manner as to prejudice or defeat, in any  
5 manner, the right and privilege of any such association or  
6 nonprofit corporation, its branches or departments to claim or  
7 rely upon or receive the exemption of such association or  
8 nonprofit corporation, its branches or departments and of all  
9 real and personal property thereof from taxation, as herein  
10 provided.

11 "(b) With respect to gasoline, tobacco, playing card  
12 tax or any other tax required by law to be prepaid by the  
13 retailer, the associations, nonprofit corporations, or  
14 organizations exempt under this section shall pay the  
15 appropriate tax at the time purchases are made, and the amount  
16 of such tax shall be refunded to such associations, nonprofit  
17 corporations, or organizations by the Department of Revenue  
18 pursuant to the procedures for refunds provided in Chapter 2A  
19 of this title.

20 "(c) For purposes of this section, the following  
21 words and phrases shall have the following meanings:

22 "(1) SUPPORTED CHARITY. Any charitable, civic, or  
23 eleemosynary institution for which a united appeal fund  
24 solicits funds.

25 "(2) UNITED APPEAL FUND. Any nonprofit entity that  
26 demonstrates to the reasonable satisfaction of the Department  
27 of Revenue that it has all of the following characteristics:

1           "a. Is an Alabama nonprofit corporation, or another  
2 type of legal entity, whether formed in Alabama or in another  
3 jurisdiction, which is required by its principal governing  
4 documents to be operated as a charity.

5           "b. Is one of a class, donations to which are  
6 deductible for federal and Alabama income tax purposes under  
7 Section 170(c) of the Internal Revenue Code.

8           "c. Has as its principal purpose, as stated by its  
9 principal governing documents, the raising of funds or the  
10 aggregation or consolidation of fund raising efforts, to  
11 support other charities which are not themselves united appeal  
12 funds, known as supported charities.

13           "d. Has been issued a Certificate of Exemption from  
14 Alabama sales, use, and lodgings tax prior to July 1, 2017,  
15 and has continually maintained the Certificate of Exemption as  
16 required by Section 40-9-60.

17           "e. With respect to the distribution of funds raised  
18 by the united appeal fund, the entity's principle governing  
19 documents must require that no supported charity, as defined  
20 in this subsection, will receive de minimis support.

21           "(3) UNITED WAY MEMBER AGENCY. Any nonprofit  
22 organization that receives more than a de minimis amount of  
23 funding through the approval of the board of a United Way  
24 organization, but only if the nonprofit organization is:

25           "a. Accountable to the granting United Way  
26 organization for the expenditure of any funds received from  
27 such United Way organization.

1           "b. Included on a list of such nonprofit  
2 organizations to be submitted to the Department of Revenue  
3 under subsection (e) by all United Way organizations on or  
4 before a date provided for in a rule of the Department of  
5 Revenue.

6           "(4) UNITED WAY ORGANIZATION. Any nonprofit  
7 corporation legally authorized and licensed to operate under  
8 the name United Way and use the name United Way and the  
9 associated logo and trademarks.

10           "(d) (1) Each supported charity must be separately  
11 identified by name in the principal governing documents of the  
12 united appeal fund entity, and by name and federal employer  
13 identification number at the request of the Department of  
14 Revenue. Each supported charity must agree, in its own  
15 principal governing documents, to become or remain a member of  
16 the united appeal fund that funded the supported charity.

17           "(2) The special rules provided in this subsection  
18 shall not apply to any United Way organization or any United  
19 Way member agency.

20           "(e) (1) Each United Way organization shall provide  
21 the Department of Revenue with a list of its constituent  
22 United Way member agencies on an annual basis.

23           "(2) The Department of Revenue, by rule, shall  
24 provide the date on which United Way organizations shall  
25 submit the list required by this subsection.

26           "(f) The Alabama State Missionary Baptist Convention  
27 Incorporated, shall submit a list of each local Baptist



1 association that is in good standing with the convention to  
2 the Department of Revenue on or before a date provided for in  
3 a rule of the department."

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