

1 SB293
2 209351-1
3 By Senators Whatley, Price and Beasley
4 RFD: Finance and Taxation Education
5 First Read: 02-MAR-21

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8 SYNOPSIS: This bill would establish an income tax
9 credit for eligible taxpayers who incur costs for
10 the construction, acquisition, or installation of a
11 qualified storm shelter.

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13 A BILL
14 TO BE ENTITLED
15 AN ACT

16
17 Relating to taxation; to provide an income tax
18 credit for the construction, acquisition, or installation of a
19 qualified storm shelter.

20 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

21 Section 1. (a) As used in this act, the following
22 terms shall have the following meanings:

23 (1) MANUFACTURED HOME. Any structure built to the
24 Manufactured Home Construction and Safety Standards which
25 displays a red certification label on the exterior of each
26 transportable section.

1 (2) PRIMARY RESIDENCE. Any manufactured home or
2 single family residence building that is the legal residence
3 of the taxpayer and is used for purposes of the taxpayer's
4 income tax calculation.

5 (3) QUALIFIED STORM SHELTER. A storm shelter or safe
6 room to which all of the following apply:

7 a. The design is capable of withstanding an EF5
8 tornado.

9 b. The shelter or room is placed in service as an
10 attachment to the taxpayer's primary residence, or on the same
11 lot or parcel as the residence, and no other qualified storm
12 shelter is attached to the residence or on the lot.

13 c. The shelter or room meets or exceeds the most
14 recent Federal Emergency Management Agency minimum criteria
15 for the design, construction, and operation of residential
16 safe rooms.

17 d. The shelter or room is built on the site of the
18 taxpayer's primary residence or is manufactured offsite and
19 installed on the site of the taxpayer's primary residence.

20 (4) SINGLE FAMILY RESIDENCE BUILDING. A structure
21 designed according to the International Residential Codes or
22 its predecessor codes.

23 (b) An Alabama income tax credit is established for
24 eligible taxpayers who incur costs for the construction,
25 acquisition, or installation of a qualified storm shelter in
26 the state. The tax credit shall equal three thousand dollars
27 (\$3,000) or 50 percent of the total cost of the construction,

1 acquisition, and installation of the qualified storm shelter,
2 whichever is less. The costs computed under this subsection
3 shall be exclusive of any costs reimbursed by a third party,
4 including, but not limited to, insurance reimbursements and
5 grants. The tax credit must be taken in the tax year in which
6 the taxpayer was issued a tax credit certificate under
7 subsection (f).

8 (c) The tax credit issued under this act may not
9 decrease a taxpayer's tax liability to less than zero. The tax
10 credit is not refundable nor transferable. A taxpayer applying
11 for the tax credit shall apply for the tax credit for the year
12 in which the qualified storm shelter was acquired,
13 constructed, or installed.

14 (d) The Department of Revenue shall grant the tax
15 credit against the state income tax that is due by the
16 taxpayer holding the tax credit certificate issued under
17 subsection (f) in the amount stated on the tax credit
18 certificate. The department may audit and reassess any credit
19 improperly obtained by the taxpayer, in accordance with the
20 Alabama Taxpayers' Bill of Rights and Uniform Revenue
21 Procedures Act under Chapter 2A of Title 40, Code of Alabama
22 1975.

23 (e) The tax credit authorized by this act is limited
24 to an aggregate amount of two million dollars (\$2,000,000)
25 annually.

26 (f) Prior to claiming the income tax credit
27 authorized under subsection (b), the taxpayer shall file an

1 annual informational report in a manner prescribed by the
2 Alabama Emergency Management Agency, which includes
3 information reflecting the costs for construction,
4 acquisition, or installation of the qualified storm shelter,
5 along with additional information as required by the Alabama
6 Emergency Management Agency. Following the receipt of all
7 information required by this subsection, the Alabama Emergency
8 Management Agency shall issue a tax credit certificate to the
9 taxpayer seeking the credit. Tax credit certificates shall be
10 issued on a first come, first served basis until the annual
11 cap provided by subsection (e) is met. In the event the
12 reservations of tax credits equal the total amount available
13 for reservations during the tax year, all eligible taxpayers
14 with applications then awaiting approval or thereafter
15 submitted shall be notified in a manner as prescribed by the
16 Alabama Emergency Management Agency that no additional tax
17 credits shall be granted during that tax year and,
18 notwithstanding subsection (b), shall be allowed to seek a tax
19 credit certificate in the next tax year.

20 (g) The Alabama Emergency Management Agency shall
21 prepare a report detailing the number of qualified storm
22 shelters constructed, acquired, and installed and the amount
23 of tax credits claimed under this act. The information on the
24 report shall be consistent with the information required under
25 Section 40-1-50, Code of Alabama 1975, and rules adopted by
26 the Department of Revenue. Information provided under this
27 section is exempt from the confidentiality provisions of

1 Section 40-2A-10, Code of Alabama 1975, and shall be provided
2 by the Alabama Emergency Management Agency to the Legislature
3 in accordance with Section 40-1-50, Code of Alabama 1975, and
4 rules adopted by the Department of Revenue.

5 (h) The Alabama Emergency Management Agency may
6 adopt rules to implement and administer this act.

7 (i) The tax credit allowed under this section shall
8 be effective January 1, 2022, for the 2022 tax year, and shall
9 continue through the 2025 tax year, unless continued by an act
10 of the Legislature.

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