

1 HB625
2 206392-2
3 By Representatives Faulkner, Drake, Garrett and Gaston
4 RFD: Ways and Means Education
5 First Read: 13-APR-21

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8 SYNOPSIS: Under existing law, the state imposes sales
9 and use taxes upon certain persons, firms, or
10 corporations. The amount of the taxes range from
11 one and one-half to four percent of the gross
12 proceeds of the sale or consumption of various
13 types of tangible personal property. The state also
14 imposes a sales tax on the operation of places of
15 amusement or entertainment. Counties and
16 municipalities impose various additional sales and
17 use taxes. Certain entities are exempted from
18 state, county, or local sales and use taxes.

19 This bill would exempt the Community
20 Foundation of South Alabama, the Community
21 Foundation of West Alabama, the Black Belt
22 Community Foundation, the Community Foundation of
23 Northeast Alabama, the Community Foundation of
24 Greater Birmingham, the Community Foundation of
25 Greater Huntsville, the Community Foundation of
26 Greater Decatur, the Limestone Area Community
27 Foundation, the Central Alabama Community

1 Foundation, the Autauga Area Community Foundation,
2 the Elmore County Community Foundation, the
3 Southeast Alabama Community Foundation, the
4 Community Foundation of East Alabama, and the
5 Walker Area Community Foundation, from any state,
6 county, and municipal sales and use taxes.

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8 A BILL
9 TO BE ENTITLED
10 AN ACT

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12 Relating to taxation; to exempt the Community
13 Foundation of South Alabama, the Community Foundation of West
14 Alabama, the Black Belt Community Foundation, the Community
15 Foundation of Northeast Alabama, the Community Foundation of
16 Greater Birmingham, the Community Foundation of Greater
17 Huntsville, the Community Foundation of Greater Decatur, the
18 Limestone Area Community Foundation, the Central Alabama
19 Community Foundation, the Autauga Area Community Foundation,
20 the Elmore County Community Foundation, the Southeast Alabama
21 Community Foundation, the Community Foundation of East
22 Alabama, and the Walker Area Community Foundation, from paying
23 state, county, and municipal sales and use taxes.

24 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

25 Section 1. (a) The following community foundation
26 entities are exempted from paying any state, county, and
27 municipal sales and use taxes:

- 1 (1) The Community Foundation of South Alabama;
- 2 (2) The Community Foundation of West Alabama;
- 3 (3) The Black Belt Community Foundation;
- 4 (4) The Community Foundation of Northeast Alabama;
- 5 (5) The Community Foundation of Greater Birmingham;
- 6 (6) The Community Foundation of Greater Huntsville;
- 7 (7) The Community Foundation of Greater Decatur;
- 8 (8) The Limestone Area Community Foundation;
- 9 (9) The Central Alabama Community Foundation;
- 10 (10) The Autauga Area Community Foundation;
- 11 (11) The Elmore County Community Foundation;
- 12 (12) The Southeast Alabama Community Foundation;
- 13 (13) The Community Foundation of East Alabama; and
- 14 (14) The Walker Area Community Foundation.

15 (b) Each entity listed in subsection (a) shall file
16 an annual informational report in a manner as prescribed by
17 the Department of Revenue. The information on such reports
18 shall be consistent with the information required by the
19 Department of Revenue pursuant to Section 40-9-61, Code of
20 Alabama 1975, and rules adopted thereunder. Information
21 provided pursuant to this section is exempted from the
22 confidentiality provisions of Section 40-2A-10, Code of
23 Alabama 1975, and shall be provided by the Department of
24 Revenue to the Legislative Services Agency, Fiscal Division on
25 an annual basis.

26 (c) The sales and use tax exemption authorized under
27 this section shall be effective January 1, 2022, for the 2022

1 tax year and shall continue through the 2026 tax year, unless
2 extended by an act of the Legislature.

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