

1 HB400
2 175356-1
3 By Representative Blackshear
4 RFD: County and Municipal Government
5 First Read: 15-MAR-16

2
3
4
5
6
7
8 SYNOPSIS: Under existing law, counties and
9 municipalities receive a distribution from the
10 financial institution excise tax imposed upon
11 certain financial institutions.

12 This bill would ensure that any tax credits
13 that may be allowed to offset the excise tax
14 liability of a financial institution would be used
15 to offset only the state portion of the liability
16 and would apply to tax credits enacted prior to,
17 on, and after the effective date of this act.

18
19 A BILL
20 TO BE ENTITLED
21 AN ACT
22

23 Relating to the financial institution excise tax; to
24 ensure that tax credits allowed to be used to offset liability
25 for the tax may only be used to offset the state portion of
26 the liability.

27 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

1 Section 1. Notwithstanding any other laws to the
2 contrary, any tax credit allowed to a financial institution
3 against the financial institution excise tax imposed by
4 Chapter 16 of Title 40, Code of Alabama 1975, other than the
5 credit allowed by Section 40-16-8, Code of Alabama 1975, shall
6 be applied only to the state portion of the tax liability and
7 shall not offset or reduce the financial institution excise
8 tax distribution made to municipalities and counties pursuant
9 to Section 40-16-6, Code of Alabama 1975. The portion of
10 liability of a financial institution that is distributable to
11 a municipality or county may not be reduced by a credit other
12 than the credits allowed by Section 40-16-8, Code of Alabama
13 1975. This section shall apply to any financial institution
14 excise tax credit enacted prior to, on, and after the
15 effective date of this section.

16 Section 2. This act shall become effective
17 immediately following its passage and approval by the
18 Governor, or its otherwise becoming law.