

1 HB511  
2 176326-1  
3 By Representatives Ledbetter, Shedd, Whorton (R), Sanderford,  
4 Pettus, Butler, Farley, Harper, Williams (JW), Wilcox, Hanes,  
5 Whorton (I) and Sessions  
6 RFD: Ways and Means General Fund  
7 First Read: 07-APR-16

2  
3  
4  
5  
6  
7  
8 SYNOPSIS: This bill would provide a two-year abatement  
9 of all state and local ad valorem tax for newly  
10 formed Alabama small business employers and would  
11 define an Alabama new small business employer.

12  
13 A BILL  
14 TO BE ENTITLED  
15 AN ACT

16  
17 To provide a two-year state and local ad valorem tax  
18 abatement for certain Alabama new small business employers.

19 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

20 Section 1. This act shall be known and may be cited  
21 as the Alabama New Small Business Employer Ad Valorem Tax  
22 Abatement Act.

23 Section 2. For the purpose of this act, the  
24 following words and phrases shall have the following meanings:

25 (1) ALABAMA NEW SMALL BUSINESS EMPLOYER. A business  
26 organization duly formed, organized, or qualified to do  
27 business in the state, after October 1, 2016, with its

1 headquarters or principal place of business in the state, and  
2 having 50 or fewer employees during the tax year in which the  
3 ad valorem tax abatement is claimed pursuant to this act.

4 (2) DEPARTMENT. The Alabama Department of Revenue.

5 Section 3. (a) An Alabama new small business  
6 employer is hereby allowed an abatement of all state and local  
7 ad valorem taxes for the first two tax years after it  
8 qualifies.

9 (b) To qualify for the abatement, the employer must  
10 apply to the Department of Revenue and be approved by the  
11 department.

12 (c) The abatement shall be allowed against any state  
13 and local ad valorem tax imposed on the property of any  
14 qualifying Alabama new small business.

15 (d) The tax abatement may not be allowed to decrease  
16 a taxpayer's liability to less than zero in any tax year. The  
17 tax abatement is not transferable or refundable.

18 Section 4. The department may adopt rules consistent  
19 with this act as necessary to implement and administer this  
20 act.

21 Section 5. All laws or parts of laws which conflict  
22 with this act are repealed.

23 Section 6. This act shall become effective October  
24 1, 2016, following its passage and approval by the Governor,  
25 or its otherwise becoming law.