

1 SB119  
2 162675-3  
3 By Senators Hightower, Glover, Albritton, Melson, Stutts,  
4 Reed, Beasley, Coleman, Dunn, Ross, Smith, Figures, Orr,  
5 Waggoner, Dial, Holley, Chambliss, Allen, Bussman, Smitherman,  
6 Marsh, Whatley, and Williams  
7 RFD: Finance and Taxation Education  
8 First Read: 03-MAR-15

1 SB119

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4 ENROLLED, An Act,

5 To provide for the preparation and distribution of a  
6 tax expenditure report by the Legislative Fiscal Office for  
7 the Legislature at the same time the Governor is required to  
8 submit his or her budget to the Legislature; and to provide an  
9 effective date.

10 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

11 Section 1. (a) Beginning in 2017 Regular Session of  
12 the Legislature, the Legislative Fiscal Office shall prepare  
13 and submit an annual report to the Legislature which lists all  
14 state tax expenditures and the estimated cost associated with  
15 each of the tax expenditures. For purposes of this act, "tax  
16 expenditures" means those state revenue losses attributable to  
17 the provisions of the constitution, state tax statutes or  
18 rules promulgated pursuant to the statutes, which allow a  
19 special exclusion, exemption or deduction, or which provide a  
20 special credit or preferential tax rate. The report shall be  
21 organized according to the funds into which the tax  
22 expenditures would be dedicated but for the exemptions and  
23 rate differentials. The report shall be submitted at the same  
24 time that the Governor is required to submit his or her budget  
25 proposal to the Legislature.

1           (b) The annual tax expenditure report shall include  
2 the following:

3           (1) Each tax exemption and its constitutional and/or  
4 statutory citation.

5           (2) An estimate of the revenue loss to the state  
6 caused by each of the tax expenditures for the most recently  
7 completed fiscal year.

8           (c) The Legislative Fiscal Office is authorized to  
9 request and receive from the Department of Revenue or any  
10 other state or local agency or official any information  
11 necessary to complete the report required by this act. Such  
12 information shall be subject to the confidentiality and  
13 disclosure provisions of Section 40-2A-10, Code of Alabama  
14 1975 however, these provisions shall not prevent the  
15 aggregation and disclosure of any information necessary to  
16 transparently complete the report required by this Act. In the  
17 event that lack of information prevents the Legislative Fiscal  
18 Office from making a reasonable estimate for any tax  
19 expenditure, the Legislative Fiscal Office shall list the  
20 expenditure with a notation that an estimate cannot be  
21 determined.

22           (d) The House Ways and Means Education Committee and  
23 the Senate Committee on Finance and Taxation - Education,  
24 shall conduct joint hearings on the tax expenditure report  
25 every even-numbered year, to be concluded by the tenth

1 Legislative day of the regular session of the Legislature.  
2 From time to time, the committees may report to the  
3 legislature findings or recommendations developed as a result  
4 of the hearings.

5 (e) This section does not apply to any incentives or  
6 other matters which are included in the report required by  
7 Section 40-18-379, Code of Alabama 1975, as created by Act  
8 2015-27, 2015 Regular Session.

9 Section 2. This act shall become effective  
10 immediately following its passage and approval by the  
11 Governor, or its otherwise becoming law.

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President and Presiding Officer of the Senate

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Speaker of the House of Representatives

SB119

Senate 18-MAR-15

I hereby certify that the within Act originated in and passed the Senate.

Patrick Harris  
Secretary

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House of Representatives  
Amended and passed 19-MAY-15

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Senate concurred in House amendment 21-MAY-15

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By: Senator Hightower