- 1 HB231
- 2 216567-2
- 3 By Representatives Carns, Mooney, Wingo, Wheeler, Sorrell,
- 4 Stringer, Hurst, Pettus, McCutcheon, Simpson, Kitchens, Hall,
- Brown (K), Lawrence, Bracy, Jackson, Grimsley, Bedsole,
- 6 Holmes, Fincher, Allen, Sorrells, Marques, Jones (S), Greer,
- 7 Crawford, Ledbetter, Meadows, Shaver, Ellis and Reynolds
- 8 RFD: Ways and Means Education
- 9 First Read: 02-FEB-22

1	<u>ENGROSSED</u>
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4	A BILL
5	TO BE ENTITLED
6	AN ACT
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8	Relating to taxation; to provide that the deduction
9	allowed to individual taxpayers for federal income tax paid or
10	accrued within the tax year ending December 31, 2021 will be
11	determined without considering the reduction in federal tax
12	attributable to any additional federal child tax credit,
13	federal earned income tax credit, or federal child and
14	dependent care tax credit received pursuant to the American
15	Rescue Plan Act of 2021, in order to allow individuals to
16	receive the amount of the enhanced federal credits rather than
17	pay state income tax on a portion of the amounts received; to
18	authorize the Department of Revenue to adopt rules.
19	BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:
20	Section 1. For the tax year ending on December 31,
21	2021, for purposes of determining an individual taxpayer's
22	federal income tax deduction pursuant to Chapter 18 of Title
23	40, Code of Alabama 1975, the federal income tax deduction
24	shall be calculated without consideration of the reductions in
25	federal tax provided in Sections 9611, 9612, 9621, 9622, 9623,

9624, 9625, 9626, and 9631 of the American Rescue Plan Act of

2021, and instead, for any federal income tax reductions

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attributable to the federal child tax credit, the earned income tax credit, and the federal child and dependent care tax credits, the federal income tax deduction shall be calculated as if the individual paid the federal income tax that would otherwise have been paid under the provisions of the Internal Revenue Code in effect on December 31, 2020.

Section 2. Sections 40-16-3.1 and 40-18-39.2 are added to the Code of Alabama 1975, to read as follows: \$40-16-3.1.

(a) (1) For tax years beginning on or after January 1, 2021, a financial institution excise taxpayer shall be allowed one month following the due date of the corresponding federal income tax return, including applicable extensions, to file the Alabama financial institution excise tax return as required by Section 40-16-3.

(2) For tax years beginning on or after January 1, 2020, but prior to January 1, 2021, the department may allow a financial institution excise taxpayer one additional month following the due date of the corresponding federal income tax return, including applicable extensions, to file the Alabama financial institution excise tax return, upon request by the taxpayer and approval by the department.

(b) The extension provided in this section shall not allow a taxpayer to defer payment of a financial institution excise tax liability beyond the original due date provided in Section 40-16-3.

\$40-18-39.2.

1	(a)(1) For tax years beginning on or after January
2	1, 2021, a corporate income taxpayer shall be allowed one
3	month following the due date of the corresponding federal
4	income tax return, including applicable extensions, to file
5	the Alabama corporate income tax return as required by Section
6	40-18-39.

(2) For tax years beginning on or after January 1, 2020, but prior to January 1, 2021, the department may allow a corporate income taxpayer one additional month following the due date of the corresponding federal income tax return, including applicable extensions, to file the Alabama corporate income tax return, upon request by the taxpayer and approval by the department.

(b) The extension provided in subsection (a) shall not allow a taxpayer to defer payment of a corporate income tax liability beyond the original due date provided in Section 40-18-39.

Section 3. The Department of Revenue may adopt rules to implement this act.

Section 4. This act shall become effective immediately following its passage and approval by the Governor, or its otherwise becoming law.

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3	House of Representatives
4 5 6 7 8	Read for the first time and re- ferred to the House of Representa- tives committee on Ways and Means Education
9 10 11	Read for the second time and placed on the calendar 1 amendment 09-FEB-22
12 13 14	Read for the third time and passed as amended 15-FEB-22 Yeas 99, Nays 0, Abstains 0
15 16 17 18	Jeff Woodard Clerk