

HB116 ENGROSSED



1 OZZTWW-2
2 By Representative Garrett
3 RFD: Ways and Means Education
4 First Read: 21-Mar-23
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A BILL
TO BE ENTITLED
AN ACT

Relating to individual income taxes; to amend Section 40-18-5, Code of Alabama 1975, to eliminate the two percent tax rate on the first five hundred dollars (\$500) of taxable income for single persons, heads of families, and married persons filing separate returns and would also eliminate the two percent tax rate on the first one thousand dollars (\$1,000) of taxable income for married persons filing a joint return.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 40-18-5, Code of Alabama 1975, is amended to read as follows:

"§40-18-5

The tax levied and imposed by Section 40-18-2 shall be computed as follows:

(1) For a single person, head of family, or married persons filing separate returns:

a. Two percent of taxable income not in excess of five hundred dollars (\$500) through tax year ~~2022~~ 2023. Beginning with tax year ~~2023~~ 2024, taxable income not in excess of five



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hundred dollars (\$500) shall be exempt.

b. Four percent of taxable income in excess of five hundred dollars (\$500) and not in excess of three thousand dollars (\$3,000).

c. Five percent of taxable income in excess of three thousand dollars (\$3,000).

(2) For married persons filing a joint return:

a. Two percent of taxable income not in excess of one thousand dollars (\$1,000) through tax year ~~2022~~ 2023.

Beginning with tax year ~~2023~~ 2024, taxable income not in excess of one thousand dollars (\$1,000) shall be exempt.

b. Four percent of taxable income in excess of one thousand dollars (\$1,000) and not in excess of six thousand dollars (\$6,000).

c. Five percent of taxable income in excess of six thousand dollars (\$6,000)."

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



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House of Representatives

51 Read for the first time and referred21-Mar-23
52 to the House of Representatives
53 committee on Ways and Means
54 Education
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56 Read for the second time and placed05-Apr-23
57 on the calendar:
58 1 amendment
59
60 Read for the third time and passed06-Apr-23
61 as amended
62 Yeas 105
63 Nays 0
64 Abstains 0
65
66
67 John Treadwell
68 Clerk
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