HB257

9IXRBMB-1

By Representative Lovvorn

RFD: Ways and Means General Fund

First Read: 28-Feb-24

SYNOPSIS:

This bill would create the Alabama Adventure Awaits sales tax holiday to occur annually the first weekend in March and the first weekend in August. This bill would exempt certain items from state sales and use tax and allow municipalities and counties to opt-in to the sales tax holiday. This bill would also amend the current local opt in provisions for the existing School Items and Severe Weather Preparedness sales tax holidays. In addition this bill would provide for the adjustment of the dollar value of items covered in each of the three sales tax holidays by the Consumer Price Index.

A BILL
TO BE ENTITLED
AN ACT

To create the Alabama Adventure Awaits sales tax holiday; to provide for the exemption of certain items from state sales and use tax during the sales tax holiday; to provide local opt-in provisions for the sales tax holiday; to amend sections 40-23-213 and 40-23-233, Code of Alabama 1975, relating to the local opt-in provisions for the existing

School Items and Severe Weather Preparedness sales tax holidays; and to add Sections 40-23-210.1 and 40-23-230.1 to the Code of Alabama 1975, to provide for price adjustments based on the Consumer Price Index.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. The sales tax holiday created by this act shall be known as the Alabama Adventure Awaits sales tax holiday.

Section 2. The Legislature finds that one of our state's most successful tax relief endeavors has been the School Tax Holiday, encouraging Alabamians to shop our local stores in advance of the new school year. This annual holiday gives citizens an opportunity to save on important purchases that they make on an annual basis. One of the greatest joys of living in Alabama is our abundance of outdoor resources. In order to encourage purchases to help our citizens enjoy the outdoors, the Legislature finds that a sales tax holiday would be a benefit to our citizens to purchase items for hunting, fishing, camping, youth sports, and other outdoor uses. The holiday would reaffirm our state's commitment to the Second Amendment, as well as to promote families spending time together in the great outdoors.

Section 3. (a) As used in this act, the term "covered items" includes the following:

(1) "Boating and water activity supplies" which shall include life preservers and vests; coolers with a sales price of one hundred and fifty dollars ($150) or less; recreational pool tubes, pool floats, inflatable chairs, and pool toys with

a sales price of thirty-five dollars ($35) or less; safety flares with a sales price of fifty dollars ($50) or less; water skis, wakeboards, knee boards, and recreational inflatable water tubes or floats capable of being towed with a sales price of one hundred and fifty dollars ($150) or less; paddleboards and surfboards with a sales price of three hundred dollars ($300) or less; canoes, kayaks, and pirogues, with a sales price of five hundred dollars ($500) or less; powered watercraft with a sales price of three hundred thousand dollars ($300,000) or less; paddles and oars with a sales price of seventy-five dollars ($75) or less; and snorkels, googles, and swimming masks with a sales price of twenty-five dollars ($25) or less.

(2) "Camping supplies" which shall include tents with a sales price of two hundred dollars ($200) or less; sleeping bags, portable hammocks, camping stoves, and collapsible camping chairs with a sales price of fifty dollars ($50) or less; and camping lanterns and flashlights with a sales price of sixty dollars ($60) or less.

(3) "Sports or recreational equipment" as defined in Section 40-23-210, Code of Alabama 1975.

(4) "Fishing supplies" which shall include rods and reels with a sales price of one hundred dollars ($100) or less if sold individually or two hundred dollars ($200) or less if sold as a set; tackle boxes or bags with sales price of thirty ($30) or less; and bait or fishing tackle with a sales price of ten dollars ($10) or less if sold individually or twenty dollars ($20) or less if multiple items are sold together. The

term does not include supplies used for commercial fishing purposes.

(5) "General outdoor supplies" which shall include sunscreen, sunblock, or insect repellent with a sales price of fifteen dollars ($15) or less; sunglasses with a sales price of one hundred dollars ($100) or less; binoculars with a sales price of two hundred dollars ($200) or less; reusable water bottles with a sales price of sixty dollars ($60) or less; hydration packs with a sales price of fifty dollars ($50) or less; outdoor gas or charcoal grills with a sales price of two hundred and fifty dollars ($250) or less; bicycle helmets with a sales price of fifty dollars ($50) or less; and bicycles with a sales price of five hundred dollars ($500) or less.

(6) "Gun safes" which shall mean a locking container or other enclosure equipped with a padlock, key lock, combination lock, or other locking device that is designed and intended for the secure storage of one or more firearms.

(7) "Gun safety devices" which shall include any integral devices to be equipped or installed on a firearm that permits the user to program the firearm to operate only for specified persons designated by the user through computerized locking devices or other means integral to and permanently part of the firearm.

(8) "Hunting supplies" which shall include the purchases of any tangible personal property for the use of hunting that is designed or intended by the manufacturer for use in the hunt for wildlife with consideration to the representation in packaging, display, promotion, or

advertising as appropriate use for hunting, including, but not limited to, firearms; ammunition; archery equipment; off-road vehicles, such as all-terrain vehicles (ATVs); animal feed; hunting apparel, belts and shoes; tools; firearm and archery cases; firearm and archery accessories; range finders; knives; decoys; tree stands; blinds; optics, hearing protection and enhancements; holsters; and slings. Hunting supplies does not include animals used for hunting.

(b)(1) For calendar year 2030, the Alabama Department of Revenue, by rule, shall adjust the dollar amounts provided in subsection (a) by the percentage increase in the Consumer Price Index for all urban consumers as published by the U.S. Department of Labor, Bureau of Labor Statistics for the immediately preceding yearly periods of December 2024 to December 2028, rounded to the nearest whole dollar.

(2) The Alabama Department of Revenue shall repeat the adjustment provided in subdivision (1) every five calendar years thereafter.

(3) The provisions of this subsection are applicable upon the extension of this sales tax holiday as provided in Section 7.

Section 4. Purchases of covered items, as defined in Section 3, are exempt from the state sales and use tax during the periods:

(i) from 12:01 a.m. on the first Friday in March of each year and ending at twelve midnight the following Sunday.

(ii) from 12:01 a.m. on the first Friday in August of each year and ending at twelve midnight the following Sunday.

Section 5. The Commissioner of the Department of Revenue shall adopt any rules necessary to implement and administer this article including, but not limited to, a list of those articles and items qualifying for the exemption pursuant to this article.

Section 6. Any county or municipality may provide for the exemption of the purchases of covered items from county or municipal sales and uses taxes, respectively, during the periods provided in Section 4 by adoption of a resolution or ordinance at least 90 days prior to the sales tax holiday period and under the same terms, conditions, and definitions as provided for the state sales tax holiday. Notwithstanding the foregoing, a county or municipality is prohibited from providing such an exemption during any other period of the year.

Section 7. The Alabama Adventure Awaits Sales Tax Holiday provided in this Act shall cease on December 31, 2027, unless extended by an act of the Legislature.

Section 8. Sections 40-23-213 and 40-23-233, Code of Alabama 1975, are amended to read as follows:

"§40-23-213

Any county or municipality may, by resolution or ordinance adopted at least ~~30~~ 90 days prior to the third full weekend of July, provide for the exemption of covered items from paying county or municipal sales and use taxes during a period commencing at 12:01 a.m. on the third Friday in July of each year and ending at 12 midnight the following Sunday under the same terms, conditions, and definitions as provided for the state sales tax holiday. Notwithstanding the foregoing, a county or municipality is prohibited from providing such an exemption during any other period of the year."

"§40-23-233

Any county or municipality may, by resolution or ordinance adopted at least 14 days prior to the first full weekend of July in 2012 and at least ~~30~~90 days prior to the last full weekend of February in subsequent years, provide for the exemption of covered items from paying county or municipal sales and use taxes during a period commencing at 12:01 a.m. on the first Friday in July in 2012, and the Friday of the last full weekend of February in subsequent years, and ending at twelve midnight the following Sunday under the same terms, conditions, and definitions as provided for the state sales tax holiday. Notwithstanding the foregoing, a county or municipality is prohibited from providing such an exemption during any other period of the year that is not designated as a sales tax holiday."

Section 9. Section 40-23-210.1 is added to the Code of Alabama 1975, to read as follows:

§40-23-210.1

(a) For calendar year 2025, the Alabama Department of Revenue, by rule, shall adjust the dollar amounts provided in Section 40-23-210 by the percentage increases in the Consumer Price Index for all urban consumers as published by the U.S. Department of Labor, Bureau of Labor Statistics from December 2006 to December 2023, rounded to the nearest whole dollar.

(b) The Alabama Department of Revenue shall repeat the adjustment provided in subsection (a) every five calendar years thereafter.

Section 10. Section 40-23-230.1 is added to the Code of Alabama 1975, to read as follows:

§40-23-230.1

(a) For calendar year 2025, the Alabama Department of Revenue, by rule, shall adjust the dollar amounts provided in Section 40-23-230, Code of Alabama 1975, by the percentage increases in the Consumer Price Index for all urban consumers as published by the U.S. Department of Labor, Bureau of Labor Statistics from December 2012 to December 2023, rounded to the nearest whole dollar.

(b) The Alabama Department of Revenue shall repeat the adjustment provided in subsection (a) every five calendar years thereafter.

Section 11. This act shall become effective on October 1, 2024, only upon the enactment of House Bill __ of the 2024 Regular Session, regarding the simplified sellers use tax.