

## HB4 INTRODUCED



1 HB4  
2 4UZAK33-1  
3 By Representatives Kiel, Brinyark, Faulkner, Kirkland, Rigsby,  
4 Lomax, Colvin, Stubbs  
5 RFD: Ways and Means Education  
6 First Read: 13-Jan-26  
7 PFD: 25-Jun-25



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SYNOPSIS:

Under existing law, the state imposes sales or use taxes upon the purchase of certain items. Counties and municipalities impose additional sales and use taxes. The purchase of certain items are exempt from these taxes.

This bill would establish the Alabama Broadband Investment Maximization Act to exempt purchases of broadband equipment and supplies from projects funded or administered by the Alabama Department of Economic and Community Affairs from sales and use tax.

A BILL  
TO BE ENTITLED  
AN ACT

Relating to taxation; to establish the Alabama Broadband Investment Maximization Act; to exempt purchases of broadband equipment and supplies from projects funded or administered by the Alabama Department of Economic and Community Affairs from sales and use tax.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. This act shall be known and be cited as the Alabama Broadband Investment Maximization Act.



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29           Section 2. (a) The gross receipts derived from the sale  
30 of equipment, machinery, software, ancillary components,  
31 appurtenances, accessories, or other infrastructure that is  
32 used in whole or in part to: (i) produce broadband  
33 communications services, including broadcasting, distributing,  
34 sending, receiving, storing, transmitting, retransmitting,  
35 amplifying, switching, providing connectivity for, or routing  
36 communications services; or (ii) provide Internet access are  
37 exempt from the state sales and use taxes provided for in  
38 Sections 40-23-2 and 40-23-61, Code of Alabama 1975.

39           (b) The exemption provided by this section shall only  
40 apply to purchases made pursuant to a project funded or  
41 administered by the Alabama Department of Economic and  
42 Community Affairs.

43           (c) The Department of Revenue may adopt rules to  
44 implement and administer this section.

45           (d) This section does not apply to the retail sale of  
46 personal consumer electronics, including, but not limited to,  
47 smartphones, computers and tablets, and computer-grade modems  
48 and WiFi routers.

49           (e) For the purpose of this section, the following  
50 terms and phrases have the following meanings:

51           (1) BROADBAND COMMUNICATIONS SERVICES.

52 Telecommunication services, mobile telecommunication services,  
53 video programming services, or direct-to-home satellite  
54 television programming services.

55           (2) EQUIPMENT. Includes, but is not limited to, wires,  
56 cables, fiber, conduits, antennas, poles, switches, routers,





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85 voice-capable and video-capable email and instant messaging,  
86 video clips, and personal electronic storage capacity, that  
87 are provided independently or packaged with Internet access;  
88 and

89 d. Does not include voice, audio, or video programming,  
90 or other products and services that utilize Internet protocol  
91 or a successor protocol and for which there is a charge,  
92 regardless of whether the charge is separately stated or  
93 aggregated with the charge for services for Internet access.

94 (f) The exemption provided in this section shall not  
95 apply to county or municipal sales or use taxes unless  
96 approved by resolution or ordinance adopted by the local  
97 governing body.

98 (g) The exemption provided pursuant to this section  
99 shall be available from September 1, 2026, to August 31, 2029.

100 Section 3. This act shall become effective on June 1,  
101 2026.