

SB152 ENROLLED



1 SB152
2 BYB7EQQ-2
3 By Senator Albritton
4 RFD: Finance and Taxation General Fund
5 First Read: 14-Jan-26



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1 Enrolled, An Act,

2 To amend Sections 40-23-35 and 40-23-85, Code of
3 Alabama 1975 to provide further distribution of sales and use
4 tax funds.

5 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

6 Section 1. Section 40-23-35 Code of Alabama 1975 is
7 amended as follows:

8 "§40-23-35

9 (a) Such amount of money as shall be appropriated for
10 each fiscal year by the Legislature to the Department of
11 Revenue with which to pay the salaries, the cost of operation
12 and management of the department shall be deducted, as a first
13 charge thereon, from the taxes collected under the provisions
14 of this division; provided, that the expenditure of the sum so
15 appropriated shall be budgeted and allotted pursuant to
16 Article 4 of Chapter 4 of Title 41, and limited to the amount
17 appropriated to defray the expenses of operating the
18 department for each fiscal year. After the payment of the
19 expenses, so much of the amount remaining as may be necessary,
20 after first applying all sums of money received by reason of
21 the application of the surplus in the income tax as provided
22 by Section 40-18-58, for the replacement in the public school
23 fund of the three-mill constitutional levy for schools and in
24 the General Fund of the one-mill levy for soldiers' relief and
25 the two and one-half mills for general purposes lost by
26 exemption of homestead provided for in this division shall be
27 first charges against the proceeds of the licenses, taxes, or
28 receipts levied or collected under this division. The



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29 Comptroller, with the approval of the Governor, is hereby
30 directed to draw his or her warrants payable out of the total
31 proceeds of the licenses, taxes, or receipts levied or
32 collected under this division as herein provided in such sum
33 as shall be found necessary to take care of and replace the
34 three-mill constitutional school levy, the one-mill soldiers'
35 relief levy, and the two and one-half mill levy for general
36 purposes of the state ad valorem taxes lost as above set
37 forth.

38 (b) Of the amounts of such collections in any fiscal
39 year remaining after the payment of the expenses of
40 administration and replacement of the amounts in the several
41 funds as herein provided there shall be paid into the Treasury
42 sums to be credited as follows:

43 (1) To the credit of the 67 counties of the state, to
44 be divided and distributed as hereinafter provided, \$378,000;

45 (2) To the Department of Human Resources, \$1,322,000;

46 (3) Beginning June 1, 2000, to the Department of
47 Conservation and Natural Resources for capital outlay for
48 acquisition of land contiguous to existing state parks and
49 land acquired for lakes and or water reservoirs, provision,
50 construction, improvement, renovation, equipping, and
51 maintenance of the state parks system only and not for use by
52 the Department of Conservation and Natural Resources for
53 personnel or administrative use, the sum equal to the increase
54 in receipts accruing to the State of Alabama due to the cap on
55 discounts per license holder in Section 40-23-36(b), which
56 increase shall be equal to the difference between the discount



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57 rate or amount allowed under Section 40-23-36(b) and the
58 maximum discount rate allowable under Section 40-23-36(a);
59 provided, however, if at any time any bonds of the Alabama
60 State Parks System Improvement Corporation or the Alabama
61 Public Historical Sites and Parks Improvement Corporation are
62 outstanding (excluding bonds that have been refunded by the
63 establishment of an escrow trust for the payment thereof
64 consisting solely of bonds or other obligations which as to
65 principal and interest constitute direct obligations of, or
66 are unconditionally guaranteed by, the United States of
67 America) there shall first be paid into the State General Fund
68 from such collections an amount equal to the debt service
69 (principal, interest, and premium, if any) payable on such
70 bonds in the then current fiscal year of the state. Provided,
71 however, that one million dollars (\$1,000,000) of such
72 increase in receipts per fiscal year shall be credited to the
73 Department of Human Resources beginning October 1, 1996, until
74 September 30, 2002, and shall be expended for the foster
75 children program.

76 (4)a. On October 1, 2002, to the Department of
77 Conservation and Natural Resources for capital outlay, repairs
78 and maintenance of the state parks system only, the minimum
79 sum of five million dollars (\$5,000,000) from the increase in
80 receipts accruing to the State of Alabama due to the cap on
81 discounts per license holder in Section 40-23-36(b) as
82 calculated in Section 40-23-35(b) (3). Beginning October 1,
83 2003 through September 30, 2021, annually, to the Department
84 of Conservation and Natural Resources for capital outlay,



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85 repairs, and maintenance of the state parks system only, the
86 sum calculated by a fraction, the numerator of which is five
87 million dollars (\$5,000,000) and the denominator of which is
88 equal to the increase in receipts as calculated in Section
89 40-23-35(b) (3) for fiscal year 2002 accruing to the State of
90 Alabama multiplied by the increase in receipts as calculated
91 in Section 40-23-35(b) (3) for the then current fiscal year, or
92 the sum of five million dollars (\$5,000,000), whichever is
93 greater. Notwithstanding the previous sentence, for the fiscal
94 years ending September 30, 2012, and September 30, 2013, only,
95 the five million dollars (\$5,000,000) shall be transferred to
96 the State General Fund.

97 b. Beginning October 1, 2021, annually, to the
98 Department of Conservation and Natural Resources for capital
99 outlay, repairs, and maintenance of the state parks system
100 only, seven million dollars (\$7,000,000). Beginning with the
101 fiscal year that starts October 1, 2022, the State Treasurer
102 shall annually adjust the dollar amount in this paragraph to
103 reflect the cumulative change in the Consumer Price Index for
104 All Urban Consumers (CPI-U), as published by the Bureau of
105 Labor Statistics of the United States Department of Labor, or
106 a successor index, for the annual period ending on the
107 December 31 preceding the adjustment date and rounded to the
108 nearest one thousand dollars (\$1,000).

109 c. Beginning October 1, 2002, to the credit of the
110 State General Fund, the balance of the sum equal to the
111 increase in receipts accruing to the State of Alabama due to
112 the cap on discounts per license holder in Section



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113 40-23-36(b) .

114 (c) One-half of the amount deposited to the credit of
115 the 67 counties as above provided, shall be divided and
116 distributed proportionately among the 67 counties of the state
117 according to the population of the counties as shown by the
118 last federal census as proclaimed, published, or certified by
119 the Director of the Bureau of the Census; and one-half of the
120 proceeds shall be divided or distributed equally among 67
121 counties; provided, that the funds divided and distributed to
122 the several counties of the state as hereinabove provided for
123 shall be used exclusively for full-time health service in
124 cooperation with the State Board of Health or the federal
125 government, and for extension services in cooperation with the
126 Alabama Agriculture Extension Service or the federal
127 government, at the discretion of the county commissions of the
128 several counties of the state.

129 (d) The amounts provided in subsection (b) for the
130 Department of Human Resources shall be used for general
131 welfare purposes. For purposes of this division, "general
132 welfare purposes" means:

133 (1) The administration of public assistance as set out
134 in Sections 38-2-5 and 38-4-1;

135 (2) Services, including supplementation and
136 supplementary services under the federal Social Security Act,
137 to or on behalf of persons to whom such public assistance may
138 be given under Section 38-4-1;

139 (3) Services to and on behalf of dependent, neglected,
140 or delinquent children; and



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141 (4) Investigative and referral services to and on
142 behalf of needy persons.

143 (e) In addition, there shall be paid, commencing on
144 January 1, 1978, and on the first day of each fiscal quarter
145 thereafter, to the Department of Human Resources for a
146 statewide, state-administered food stamp program, as
147 authorized by the Food Stamp Act of 1964, Public Law 88-525,
148 88th Congress, and amendments thereto, an amount equal to ~~five~~
149 seven and one-half percent of the value of food stamp
150 benefits issued statewide in excess of the amount paid by
151 recipients (bonus or free stamps) during the immediate prior
152 fiscal quarter, which sum so appropriated shall be paid
153 quarterly to the Department of Human Resources Trust Fund for
154 administration of the food stamp program in conformity with
155 rules and regulations promulgated by the United States
156 Department of Agriculture and in conformity with Sections
157 38-1-1 through 38-6-9. The administrative funds shall be
158 limited to and based on fiscal year 1976-77 administrative
159 costs, normal inflationary increases, and mandated
160 administration requirements of the Alabama Legislature and the
161 United States Department of Agriculture. The Department of
162 Human Resources will not staff any county food stamp office at
163 a level that exceeds the average staff-to-recipient ratios
164 that existed in Alabama during fiscal year 1976-77. This
165 restriction will apply in coordination with those provided
166 hereinabove and, should conflict occur, the lesser amount of
167 expenditure shall be required. At the end of each fiscal year,
168 an accounting shall be made of the sum so that any unexpended



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169 and unencumbered balance of funds may be determined for the
170 purpose of paying such balance to the Education Trust Fund.

171 (f) The amount of the proceeds of all taxes levied by
172 this division remaining after the payment of the expenses of
173 administration and enforcement and the replacement in the
174 several funds of the amount lost by any homestead exemptions
175 and the distribution as provided in subsections (b) and (d),
176 shall be paid into the Education Trust Fund except as provided
177 in subdivision (4) of Section 40-23-2 and subsection (c) of
178 Section 40-23-61 and, beginning January 1, 2016, except those
179 collected on consumable vapor products as defined in
180 subdivision (15) of subsection (a) of Section 40-23-1, which
181 shall be distributed to the State General Fund."

182 Section 2. Section 40-23-85 Code of Alabama 1975 is
183 amended as follows:

184 "§40-23-85

185 All taxes, fees, interest, or penalties imposed and all
186 amounts of tax herein required to be paid to the state under
187 this article must be paid to the Department of Revenue at
188 Montgomery, Alabama, with remittance payable to the Treasurer
189 of Alabama. Such amount of money as shall be appropriated for
190 each fiscal year by the Legislature to the Department of
191 Revenue with which to pay the salaries, the cost of operation
192 and the management of the department shall be deducted, as a
193 first charge thereon, from the taxes collected under and
194 pursuant to Section 40-23-61; provided, that the expenditure
195 of the sum so appropriated shall be budgeted and allotted
196 pursuant to Article 4 of Chapter 4 of Title 41, and limited to



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197 the amount appropriated to defray the expenses of operating
198 the department for each fiscal year. After the distributions
199 provided herein and the distributions of use tax on
200 automobiles to the General Fund as provided in Section
201 40-23-61(c), the balance of the tax collected under and
202 pursuant to Section 40-23-61 shall be distributed as follows:
203 (1) remote use tax amounts, seventy-five percent (75%) to the
204 General Fund and twenty-five percent (25%) to the Education
205 Trust Fund, and (2) any remaining amounts, forty-seven percent
206 (47%) to the Education Trust Fund and fifty-three percent
207 (53%) to the General Fund. ~~An amount sufficient to fund the~~
208 ~~Children's Health Insurance Program (CHIP) shall be~~
209 ~~distributed annually as a first charge against the amounts~~
210 ~~allocated to the General Fund under this section.~~ It is the
211 legislative intent that all amounts collected on transactions
212 involving a seller located outside the State of Alabama when
213 the property is shipped or transported from outside the state
214 shall be considered use tax for the purpose of this
215 distribution, regardless of whether the taxes may be
216 considered sales taxes for other purposes."

217 Section 3. This act shall become effective September 1,
218 2026.



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President and Presiding Officer of the Senate

Speaker of the House of Representatives

SB152
Senate 11-Mar-26
I hereby certify that the within Act originated in and passed
the Senate.

Patrick Harris,
Secretary.

House of Representatives
Passed: 01-Apr-26

By: Senator Albritton