



FISCAL NOTE

House Bill 443

Committee: Ways and Means Education

Sponsor: Representative Danny Garrett

Analyst: Jennifer Farish

Date: 05/15/2023

House Bill 443 as introduced would repeal the following tax incentives effective, December 31, 2028, unless extended by an act of the Legislature and would limit the extension to no more than five additional years:

(1) the Brownfield Development Tax Abatement Act	(6) the Veterans Employment Act
(2) the Rural Physician Tax Credit	(7) the Irrigation Equipment Tax Credit
(3) the Coal Production Tax Credit	(8) the Entertainment Industry Incentive Act of 2009
(4) the Reemployment Act of 2010	(9) the Alabama Enterprise Zone Act
(5) the Full Employment Act of 2011	

The repeal of these tax incentives would increase annual receipts, beginning in 2029 and each year thereafter, to the following funds/entities by the following estimated amounts, less any tax credits carried forward after January 1, 2029:

Tax	Education Trust Fund	State General Fund	Cities and Counties
Income	\$13,490,000	-	-
Financial Institutions Excise Tax (FIET)	-	\$7,500	\$7,500
Business Privilege	-	\$2,500	-

Further, beginning in the 2024 Regular Session, this bill would require all new economic tax incentive legislation to: (1) include a tax credit performance statement; (2) have a five-year sunset date; (3) have an annual cap on the credits or incentives provided; (4) limit the carry forward of unused credits to up to five years; (5) limit the transfer or sale of credits to one transaction and payment of filing fee with the Department of Revenue (ADOR); and (6) require ADOR to pre-certify all income tax and FIET credits. Further, this bill would require taxpayers to report to ADOR the amount of tax preferences claimed, beginning with tax year 2025.