

1 HB303
2 182551-1
3 By Representative Wadsworth
4 RFD: Ways and Means Education
5 First Read: 23-FEB-17

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8 SYNOPSIS: Under existing law, the state imposes sales
9 or use taxes upon certain persons, firms, or
10 corporations. Sales of certain items are taxed at a
11 reduced rate. Sales of other items are exempt from
12 the taxes.

13 This bill would reduce by one percent the
14 sales and use taxes on food beginning October 1,
15 2017.

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17 A BILL
18 TO BE ENTITLED
19 AN ACT

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21 Relating to sales and use tax on food; to reduce by
22 one-percent the sales and use taxes on food beginning October
23 1, 2017.

24 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

25 Section 1. For purposes of this act, the following
26 terms are defined as follows:

1 (1) FOOD. Food as defined in 7 U.S.C §2011, et seq.,
2 for the purposes of the federal Supplemental Nutrition
3 Assistance Program regardless of where or by what means food
4 is sold.

5 (2) SALES TAX. The tax levied in Section 40-23-2,
6 Code of Alabama 1975, on the gross sales or gross receipts
7 from the sale of tangible personal property.

8 (3) USE TAX. The tax levied in Section 40-23-61,
9 Code of Alabama 1975, on the storage, use, or other
10 consumption of tangible personal property in Alabama.

11 Section 2. Notwithstanding any other provision of
12 law, for taxable periods beginning on and after October 1,
13 2017, state sales and use taxes on food shall be one percent
14 less than the sales on tax on nonfood items. Each local
15 governmental entity may continue to collect sales taxes on
16 food at the same rate collected for the local portion of the
17 retail sales tax.

18 Section 3. This act shall become effective
19 immediately following its passage and approval by the
20 Governor, or its otherwise becoming a law.