

1 HB408
2 215351-1
3 By Representative Rafferty
4 RFD: Ways and Means Education
5 First Read: 24-FEB-22

SYNOPSIS: Under current statutes, there is not a single method to understand the impact of economic development incentives given by governmental entities.

This bill would require the Alabama Department of Revenue to submit a Unified Economic Development Budget (UEDB) to provide policymakers and taxpayers with a comprehensive accounting of all economic development spending-all in one place.

A BILL
TO BE ENTITLED
AN ACT

Related to Economic Development incentives; and to require the Alabama Department of Revenue to submit a Unified Economic Development Budget.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. This act shall be known and may be cited as the Economic Development Full Accounting Act.

1 Section 2. The Alabama Department of Revenue shall
2 submit an annual Unified Economic Development Budget to the
3 Legislature no later than three months after the end of the
4 state's fiscal year. The report shall be posted publicly on
5 the Revenue Department's website, with specified portions
6 available as spreadsheets that can be downloaded. The report
7 shall include all types of expenditures for economic
8 development during the prior fiscal year, including but not
9 limited to:

10 (1) Company-Specific Tax Expenditures, to include
11 the amount of uncollected, forgiven, credited or rebated state
12 tax revenue, line itemized by program, resulting from every
13 corporate tax credit, abatement, exemption, and reduction
14 provided by the state or a local governmental unit for the
15 purpose of job creation, retention, or both. Categories would
16 include, but not limited to, gross receipts, income, sales,
17 use, raw materials, excise, property, utility, and inventory
18 taxes.

19 (2) Program-Specific Appropriated Expenditures,
20 which includes all state appropriated program expenditures for
21 economic development, with a line itemization for every
22 state-funded entity with an economic development mission,
23 including but not limited to: the Alabama Department of
24 Commerce, the Alabama Department of Economic and Community
25 Affairs, the Alabama Community College System, the Alabama
26 Commission on Higher Education, the Alabama Regional Planning
27 and Development Commissions, Alabama Industrial Development

1 Training (AIDT), the Alabama Department of Environmental
2 Management (ADEM), and the Economic Development Partnership of
3 Alabama.

4 (3) Agency-Specific Appropriated Expenditures: All
5 state-appropriated expenditures for the administration of
6 economic development agencies, for every state-funded agency
7 with an economic development mission, including, but not
8 limited to: the Alabama Department of Commerce, the Alabama
9 Department of Economic and Community Affairs, the Alabama
10 Community College System, the Alabama Commission on Higher
11 Education, the Alabama Regional Planning and Development
12 Commissions, Alabama Industrial Development Training (AIDT),
13 the Alabama Department of Environmental Management (ADEM), and
14 the Economic Development Partnership of Alabama.

15 (4) A three-year cost-trend analysis for each
16 reported program and agency, describing the rate of growth or
17 decline in spending over time, and including the number of
18 corporations assisted each year.

19 (5) For each tax year, the name of each corporate
20 taxpayer which claimed any tax credit, abatement, exemption or
21 reduction under subdivision (1) of any value equal to or
22 greater than five thousand dollars (\$5,000), together with the
23 dollar amount received by each such corporate taxpayer.

24 (6) All information in subdivisions (1), (2), (3),
25 (4), and (5) shall be posted in a spreadsheet form that can be
26 downloaded from the Revenue Department website.

1 (7) Any tax credit, abatement, exemption, or
2 reduction received by a corporation of less than five thousand
3 dollars (\$5,000) each shall not be itemized. For each tax
4 year, the Department of Revenue shall report an aggregate
5 dollar amount of such expenditures and the number of companies
6 so aggregated for each tax expenditure.

7 Section 3. The provisions of this act are severable.
8 If any part of this act is declared invalid or
9 unconstitutional, that declaration shall not affect the part
10 which remains.

11 Section 4. This act shall become effective
12 immediately following its passage and approval by the
13 Governor, or its otherwise becoming law.