

1 HB422
2 216556-1
3 By Representatives Wood (D), Robertson, Shaver, Hanes, Almond,
4 Kiel, Kitchens, Estes and Faust
5 RFD: Ways and Means General Fund
6 First Read: 01-MAR-22

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8 SYNOPSIS: Under existing law, a homestead exemption is
9 extended to resident taxpayers who are over 65
10 years of age with an annual adjusted gross income
11 of less than \$12,000.

12 This bill would increase the income
13 threshold for resident taxpayers over 65 years of
14 age.

15
16 A BILL
17 TO BE ENTITLED
18 AN ACT

19
20 Relating to homestead exemptions; to amend Section
21 40-9-19, Code of Alabama 1975, to increase the income
22 threshold for resident taxpayers who are over 65 years of age.
23 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

24 Section 1. Section 40-9-19, Code of Alabama 1975, is
25 amended to read as follows:

26 "§40-9-19.

1 "(a) (1) Homesteads, as defined by the Constitution
2 and laws of Alabama, are exempt from all state ad valorem
3 taxes. In no case shall the exemption apply to more than one
4 person or head of the family, nor shall the exemption exceed
5 \$4,000 in assessed value or 160 acres in area for any resident
6 of this state who is not over 65 years of age.

7 "(2) The homesteads of residents of this state, over
8 65 years of age, or who are retired due to permanent and total
9 disability, regardless of age, or who are blind as defined in
10 Section 1-1-3, regardless of age or whether such person is
11 retired, shall be exempt from all state ad valorem taxes.

12 "(3) The state Commissioner of Revenue may define
13 and specify the condition or state of health that makes a
14 person "permanently and totally disabled" and may issue
15 certificates of disability to the person as he or she may find
16 meets such specifications. Any person who is drawing any
17 pension or annuity from the armed services or a company or
18 governmental agency as being permanently and totally disabled
19 shall automatically be granted a certificate of permanent and
20 total disability by the state Commissioner of Revenue.

21 "(b) For tax years beginning on and after October 1,
22 1981, for residents of this state not over 65 years of age,
23 homesteads, as defined by the Constitution and laws of
24 Alabama, are exempt from all ad valorem property taxes levied,
25 except countywide and school district ad valorem taxes levied
26 for school purposes, by any county of this state. In no case
27 shall the exemption apply to more than one person or head of

1 the family, nor shall the exemption exceed \$2,000 in assessed
2 value or 160 acres in area for any resident of this state who
3 is not over 65 years of age except as provided in subsection
4 (c).

5 "(c) For tax years beginning on and after October 1,
6 1981, the governing body of any county, municipality, or other
7 local taxing authority may at any time grant by resolution or
8 ordinance an exemption from any levy of ad valorem property
9 taxes levied by such county, municipality, or other local
10 taxing authority on homesteads, as defined by the Constitution
11 and laws of Alabama, of residents of this state not over 65
12 years of age. In no case shall such exemption allowed in this
13 section apply to more than one person or head of the family,
14 nor shall the exemption, when added to any other homestead
15 exemption applicable to the same ad valorem tax levy, exceed
16 \$4,000 in assessed value or 160 acres in area. Any homestead
17 exemption granted pursuant to this subsection (c) may be
18 adjusted, rescinded, or reinstated at any time by resolution
19 or ordinance of the governing body of the county,
20 municipality, or other local taxing authority granting such
21 exemption. Any action authorized by this subsection to be
22 taken by a taxing authority, or the governing body thereof,
23 other than in the case of a municipality, shall be taken by
24 resolution of the governing body of the county in which such
25 taxing authority is located acting on behalf of such taxing
26 authority; provided however, any action authorized by this
27 subsection to be taken by a taxing authority, or the governing

1 body thereof, which action shall affect countywide or district
2 ad valorem taxes levied solely for the support of county or
3 city school districts, shall be taken by resolutions of the
4 governing bodies and boards of the school systems that are
5 recipients of the proceeds of the ad valorem tax so affected
6 by such action. This subsection shall in no way annul or
7 reduce exemptions provided under subsections (a), (b), and
8 (d).

9 "(d) For tax years beginning on and after October 1,
10 1981, for residents of this state, over 65 years of age who
11 have an annual adjusted gross income of less than \$12,000 as
12 reflected on the most recent state income tax return or some
13 other appropriate evidence, or who are retired due to
14 permanent and total disability, regardless of age, or who are
15 blind as defined in Section 1-1-3, regardless of age or
16 whether such person is retired, homesteads, as defined in the
17 Constitution and laws of Alabama, are exempt from ad valorem
18 property taxes levied by any county of this state, including
19 such taxes levied for school districts. In no case shall the
20 exemption exceed \$5,000 in assessed value or 160 acres in
21 area. With respect to homesteads situated in more than one
22 county, the exemption shall be prorated between the counties
23 in which the homestead is situated in the proportion that the
24 area of the homestead in each county bears to the total area
25 of the homestead claimed for exemption.

26 "The Department of Revenue, by rule, may define and
27 specify the condition or state of health that makes a person

1 "permanently and totally disabled" and may issue certificates
2 of disability to any person that meets such specifications.
3 Any person who is drawing any pension or annuity from the
4 armed services, a private company, or any governmental agency
5 because he or she is permanently and totally disabled shall
6 automatically be granted a certificate of permanent and total
7 disability by the Department of Revenue.

8 "(e) For tax years beginning on and after October 1,
9 2022, for residents of this state over 65 years of age who
10 have an annual adjusted gross income of less than twenty
11 thousand dollars (\$20,000) as reflected on the most recent
12 state income tax return or some other appropriate evidence, or
13 who are retired due to permanent and total disability
14 regardless of age, or who are blind as defined in Section
15 1-1-3, regardless of age or whether such person is retired,
16 homesteads, as defined in the Constitution and laws of
17 Alabama, are exempt from ad valorem property taxes levied by
18 any county of this state, including such taxes levied for
19 school districts. In no case shall the exemption exceed five
20 thousand dollars (\$5,000) in assessed value or 160 acres in
21 area. With respect to homesteads situated in more than one
22 county, the exemption shall be prorated between the counties
23 in which the homestead is situated in the proportion that the
24 area of the homestead in each county bears to the total area
25 of the homestead claimed for exemption.

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27 specify the condition or state of health that makes a person

1 "permanently and totally disabled" and may issue certificates
2 of disability to any person that meets such specifications.
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4 armed services, a private company, or any governmental agency
5 because he or she is permanently and totally disabled shall
6 automatically be granted a certificate of permanent and total
7 disability by the Department of Revenue.

8 ~~"(e)~~ (f) The grant of any homestead exemption
9 provided under this section shall not be allowed if such grant
10 shall prevent the payment of any bonded indebtedness secured
11 by any tax to which the homestead exemption would apply.

12 ~~"(f)~~ (g) Any homestead exemption under this section
13 or Section 40-9-21 shall not be affected during any period the
14 homestead is being repaired after being damaged by a natural
15 disaster such as a tornado or hurricane."

16 Section 2. This act shall become effective on the
17 first day of the third month following its passage and
18 approval by the Governor, or its otherwise becoming law.