

1 HB478
2 166514-1
3 By Representatives Knight, Scott and Rogers (Constitutional
4 Amendment)
5 RFD: Ways and Means General Fund
6 First Read: 09-APR-15

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8 SYNOPSIS: This bill would propose an amendment to the
9 Constitution of Alabama of 1901, to repeal all
10 provisions of law which allow the deduction of
11 federal income taxes by individual taxpayers
12 subject to state income tax, including specifically
13 Amendment 225 of the Constitution of Alabama of
14 1901, now appearing as Section 211.04 of the
15 Official Recompilation of the Constitution of
16 Alabama of 1901, as amended; and to exempt sales of
17 food and over-the-counter drugs from state sales
18 tax.

19
20 A BILL
21 TO BE ENTITLED
22 AN ACT
23

24 To propose an amendment to the Constitution of
25 Alabama of 1901, to repeal all provisions of law which allow
26 the deduction of federal income taxes by individual taxpayers
27 subject to state income tax, including specifically Amendment

1 225 of the Constitution of Alabama of 1901, now appearing as
2 Section 211.04 of the Official Recompileation of the
3 Constitution of Alabama of 1901, as amended; and to exempt
4 sales of food and over-the-counter drugs from state sales tax.
5 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

6 Section 1. The following amendment to the
7 Constitution of Alabama of 1901, as amended, is proposed and
8 shall become valid as a part thereof when approved by a
9 majority of the qualified electors voting thereon and in
10 accordance with Sections 284, 285, and 287 of the Constitution
11 of Alabama of 1901, now appearing as Section 211.04 of the
12 Official Recompileation of the Constitution of Alabama of 1901
13 as amended:

14 PROPOSED AMENDMENT

15 (a) All provisions of law which allow the deduction
16 of federal income taxes by individual taxpayers subject to
17 state income tax, including specifically Amendment 225 of the
18 Constitution of Alabama of 1901, now appearing as Section
19 211.04 of the Official Recompileation of the Constitution of
20 Alabama of 1901, as amended, are repealed.

21 (b) Beginning September 1, 2016, the sale of food
22 and over-the-counter drugs shall be exempt from the state
23 sales tax. Local governments shall continue to collect sales
24 taxes on food and over-the-counter drugs at the same rate
25 collected for the local portion of the retail sales tax. For
26 purposes of this amendment, food means food as defined in 7
27 U.S.C. §2011, et seq., for the purposes of the federal

1 Supplemental Nutrition Assistance Program regardless of where
2 or by what means food is sold. In the event that the federal
3 Supplemental Nutrition Assistance Program definition no longer
4 exists, the Legislature shall provide a new definition of food
5 by general law.

6 Over-the-counter drugs means drugs that are sold
7 without a prescription and that contain a label that
8 identifies the product as a drug as required by 21 C.F.R.
9 §201.66. The over-the-counter drug label includes a drug facts
10 panel or a list of the active ingredients with a list of those
11 ingredients contained in the compound, substance or
12 preparation. Over-the-counter drugs do not include grooming
13 and hygiene products, including soaps and cleaning solutions,
14 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
15 lotions and screens, regardless of whether the product meets
16 the definition of over-the-counter drugs.

17 Section 2. An election upon the proposed amendment
18 shall be held in accordance with Sections 284 and 285 of the
19 Constitution of Alabama of 1901, now appearing as Section
20 211.04 of the Official Recompilation of the Constitution of
21 Alabama of 1901, as amended, and the election laws of this
22 state at the next statewide primary, general or special
23 election held for that purpose.

24 Section 3. The appropriate election official shall
25 assign a ballot number for the proposed constitutional
26 amendment on the election ballot and shall set forth the

1 following description of the substance or subject matter of
2 the proposed constitutional amendment:

3 "Proposing an amendment to the Constitution of
4 Alabama of 1901, to repeal all provisions of law which allow
5 the deduction of federal income taxes by individual taxpayers
6 subject to state income tax, including specifically Amendment
7 225 of the Constitution of Alabama of 1901, now appearing as
8 Section 211.04 of the Official Recompilation of the
9 Constitution of Alabama of 1901, as amended; and to exempt
10 sales of food and over-the-counter drugs from state sales tax.

11 "Proposed by Act _____."

12 This description shall be followed by the following
13 language:

14 "Yes () No ()."