

1 HB621
2 201220-1
3 By Representatives Pringle and Fridy
4 RFD: Ways and Means Education
5 First Read: 15-MAY-19

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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 exempt sales of food from
14 the sales and use taxes beginning September 1,
15 2020.

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17 A BILL
18 TO BE ENTITLED
19 AN ACT
20

21 To exempt sales of food from the sales and use taxes
22 beginning September 1, 2020.

23 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

24 Section 1. LEGISLATIVE INTENT. The Legislature
25 hereby finds that the requirement to pay sales tax on food
26 places a burden on all taxpayers in the state, especially the
27 less fortunate.

1 Section 2. For purposes of Section 2 of this act,
2 the following terms are defined as follows:

3 (1) FOOD. Food packages as defined in 7 C.F.R
4 §246.10, as may be amended from time to time, for the purposes
5 of the federal Special Supplemental Nutrition Program for
6 Women, Infants and Children (WIC) regardless of where or by
7 what means food is sold. In the event that the federal
8 Supplemental Nutrition Program for Women, Infants and Children
9 (WIC) definition no longer exists, the Legislature shall
10 provide a new definition of food by general law.

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

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

17 Section 3. Notwithstanding any other provision of
18 law, for taxable periods beginning on and after September 1,
19 2020, the gross receipts from the sale or use of food shall be
20 exempt from the state sales and use taxes.

21 Section 4. This act shall become effective on the
22 first day of the third month following its passage and
23 approval by the Governor, or its otherwise becoming a law.