

1 SB158
2 197978-1
3 By Senators Whatley, Allen, Livingston and Price
4 RFD: Finance and Taxation Education
5 First Read: 20-MAR-19

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8 SYNOPSIS: This bill would establish an income tax
9 credit for eligible taxpayers who incur costs for
10 the construction, acquisition, or installation of a
11 qualified storm shelter, as defined.

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13 A BILL
14 TO BE ENTITLED
15 AN ACT

16
17 Relating to taxation; to provide an income tax
18 credit for the construction, acquisition, or installation of a
19 qualified storm shelter.

20 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

21 Section 1. (a) As used in this act, the term
22 qualified storm shelter means a storm shelter or safe room to
23 which all of the following apply:

24 (1) The design is capable of withstanding an EF5
25 tornado.

26 (2) The shelter or room is either of the following:

1 a. Placed in service as an attachment to the
2 taxpayer's primary residence, or on the same lot or parcel as
3 the residence, and no other qualified storm shelter is
4 attached to the residence.

5 b. Placed in service in a residential development,
6 apartment complex, or condominium for common use by the owner
7 or occupants of property within the development, apartment
8 complex, or condominium.

9 (3) The shelter or room meets or exceeds the most
10 recent Federal Emergency Management Agency minimum criteria
11 for the design, construction, and operation of residential
12 safe rooms.

13 (b) An Alabama income tax credit is established for
14 eligible taxpayers who incur costs for the construction,
15 acquisition, or installation of a qualified storm shelter. The
16 tax credit shall equal one-third of the total cost of the
17 construction, acquisition, and installation of the qualified
18 storm shelter, and shall be given each year for a period of
19 three years.

20 (c) The tax credit issued under this act may not
21 decrease a taxpayer's tax liability to less than zero. The tax
22 credit is not refundable or transferable. A taxpayer applying
23 for the tax credit shall apply each year to receive the credit
24 for the preceding calendar year; provided, the tax credit for
25 a shelter placed in service as an attachment to a taxpayer's
26 primary residence may not exceed six thousand dollars
27 (\$6,000), and the tax credit for a shelter placed in service

1 in a residential development, apartment complex, or
2 condominium for common use by the owner or occupants of
3 property within the development, apartment complex, or
4 condominium may not exceed twenty-five thousand dollars
5 (\$25,000).

6 (d) The Department of Revenue shall prescribe a form
7 to claim the tax credit issued under this act that provides
8 information to the department sufficient for the proper
9 administration of the tax credit. The form shall allow a
10 taxpayer to submit documentation that the costs for which the
11 taxpayer claims credit were incurred for the construction,
12 acquisition, or installation of a qualified storm shelter and
13 that the qualified storm shelter meets or exceeds the Federal
14 Emergency Management Agency minimum criteria for safety.

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