

1 SB92
2 146331-1
3 By Senators Sanford and Beason (Constitutional Amendment)
4 RFD: Finance and Taxation Education
5 First Read: 05-FEB-13

2
3
4
5
6
7
8 SYNOPSIS: Under existing law, the state corporate
9 income tax rate is set at six and one-half percent
10 on the net income of corporations.

11 This bill would propose an amendment to
12 Amendment No. 212, as amended by Amendment No. 662
13 to the Constitution of Alabama of 1901, and now
14 appearing as Section 211.03 of the Official
15 Recompilation of the Constitution of Alabama of
16 1901, as amended, to reduce the tax rate on the net
17 income of corporations to five percent beginning
18 with the calendar year 2015.

19
20 A BILL

21 TO BE ENTITLED

22 AN ACT

23
24 To propose an amendment to Amendment No. 212, as
25 amended by Amendment No. 662, to the Constitution of Alabama
26 of 1901, and now appearing as Section 211.03 of the Official
27 Recompilation of the Constitution of Alabama of 1901, as

1 amended, relating to income taxation of corporations, to
2 reduce the tax rate on the net income of corporations to five
3 percent beginning with the calendar year 2015.

4 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

11 PROPOSED AMENDMENT

12 Amendment No. 212, as amended by Amendment No. 662,
13 is further amended to read as follows:

14 "Amendment No. 212.

15 "The legislature shall have power to levy and
16 provide for the collection of taxes for state purposes on
17 taxable income of corporations, from whatever source derived,
18 for the calendar year ~~1963~~ 2015, or for any fiscal year
19 beginning in the calendar year ~~1963~~ 2015, and each year
20 thereafter, at a rate not exceeding five percent. ~~However, the~~
21 ~~rate shall be six and one-half percent on taxable income of~~
22 ~~corporations for the calendar year 2001, or for any fiscal~~
23 ~~year beginning in the calendar year 2001, and each year~~
24 ~~thereafter.~~ All federal income taxes paid or accrued within
25 the taxable year by corporations shall always be deductible in
26 computing income taxable under the income tax laws of this
27 state, provided that in the case of foreign corporations the

1 amount of federal income tax deductible shall be in proportion
2 to income derived from sources within Alabama, to be
3 determined in accordance with such laws as the legislature may
4 enact. ~~The increase in the corporate income tax rate to six~~
5 ~~and one-half percent provided by this amendment shall be~~
6 ~~self-executing and shall require no enabling legislation.~~

7 Section 2. An election upon the proposed amendment
8 shall be held in accordance with Sections 284 and 285 of the
9 Constitution of Alabama of 1901, now appearing as Sections 284
10 and 285 of the Official Recompilation of the Constitution of
11 Alabama of 1901, as amended, and the election laws of this
12 state.

13 Section 3. The appropriate election official shall
14 assign a ballot number for the proposed constitutional
15 amendment on the election ballot and shall set forth the
16 following description of the substance or subject matter of
17 the proposed constitutional amendment:

18 "Proposing an amendment to the Constitution of
19 Alabama of 1901, to amend Amendment No. 212, as amended by
20 Amendment No. 662, to the Constitution of Alabama of 1901,
21 relating to income taxation of corporations, to decrease the
22 tax rate on corporations beginning with the 2015 calendar year
23 from 6 1/2 percent to 5 percent.

24 "Proposed by Act _____."

25 This description shall be followed by the following
26 language:

27 "Yes () No ()."

