

1 HB322
2 197893-1
3 By Representatives Hall, Fridy, Scott, Coleman, Givan, Morris,
4 Weaver, Wadsworth, Jones (S), Howard, Hatcher, Boyd, Grimsley,
5 Jackson, Simpson, Warren, Drummond, Chestnut, Lawrence,
6 Daniels, Hollis, McCampbell, Rafferty, Bracy, England and
7 Moore (M)
8 RFD: Ways and Means Education
9 First Read: 02-APR-19

2
3
4
5
6
7
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 2019.

16
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, 2019.

23 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

26 (1) FOOD. Food as defined in 7 U.S.C §2011, et seq.,
27 for the purposes of the federal Supplemental Nutrition

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

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

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

12 Section 2. Notwithstanding any other provision of
13 law, for taxable periods beginning on and after September 1,
14 2019, the gross receipts from the sale or use of food shall be
15 exempt from the state sales and use taxes. Local governments
16 shall continue to collect sales taxes on food at the same rate
17 collected for the local portion of the retail sales tax.

18 Section 3. This act shall become effective
19 immediately following its passage and approval by the
20 Governor, or its otherwise becoming a law.