

1 HB692  
2 152430-1  
3 By Representative Robinson (O)  
4 RFD: Ways and Means General Fund  
5 First Read: 02-MAY-13

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8 SYNOPSIS: Currently, various tax abatements and  
9 incentives exist for industrial development  
10 projects and brownfield development property. Under  
11 existing law, however, there are no specific  
12 incentives or tax abatements for the removal of  
13 asbestos.

14 This bill would grant tax abatements for the  
15 removal of asbestos.

16  
17 A BILL  
18 TO BE ENTITLED  
19 AN ACT

20  
21 To provide tax abatements for the removal of  
22 asbestos.

23 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

24 Section 1. This act shall be known and may be cited  
25 as the "Asbestos Tax Abatement Act."

26 Section 2. For purposes of this act, the following  
27 words and phrases shall have the following meanings:

1 (1) ABATE, ABATEMENT. A reduction or elimination of  
2 a taxpayer's liability for tax.

3 (2) ASBESTOS. Any naturally occurring hydrated  
4 mineral silicate separable into commercially usable fibers,  
5 including chrysotile (serpentine), amosite  
6 (cummingtonite-grunerite), crocidolite (riebeckite),  
7 tremolite, anthrophyllite, and actinolite.

8 (3) ASBESTOS MATERIAL. Any material containing more  
9 than one percent by weight of asbestos.

10 (4) ASBESTOS REMOVAL. Elimination of asbestos which  
11 involves the removal, encapsulation, enclosure, repair, or  
12 disturbance of friable or non-friable asbestos, or any  
13 handling of asbestos material that may result in the release  
14 of asbestos fiber except for work in an owner-occupied single  
15 family dwelling performed by the owner of the dwelling  
16 undertaken by the taxpayer, on a qualified structure, and  
17 completed pursuant to the applicable laws and regulations of  
18 this state. Where the removal of asbestos is subcontracted to  
19 an asbestos contractor with an asbestos handling license, only  
20 that part of the work involving asbestos shall be deemed to be  
21 an asbestos removal project.

22 (5) QUALIFIED STRUCTURE. A building principally used  
23 by the taxpayer for residential, industrial, commercial,  
24 recreational, or environmental conservation purposes which was  
25 originally placed in service at least 25 years prior to the  
26 taxable year in which the credit is claimed.

27 Section 3. The Legislature recognizes the following:

1           (1) That the importance of the removal of asbestos  
2 is essential to the well-being of the people of the state.

3           (2) That in some cases additional incentives are  
4 required as an inducement for the removal of asbestos.

5           Section 4. (a) Noneducational ad valorem taxes,  
6 construction related transaction taxes, except those  
7 construction related transaction taxes levied for educational  
8 purposes or for capital improvements for education, and  
9 mortgage and recording taxes may be abated with respect to the  
10 removal of asbestos or asbestos material from a qualified  
11 asbestos project.

12           (b) The abatement of noneducational ad valorem taxes  
13 may not exceed the maximum exemption period of 20 years.

14           (c) The abatement of construction related  
15 transaction taxes may not extend beyond the date the qualified  
16 structure is placed in service for federal income tax  
17 purposes. The further abatement may not be granted for  
18 construction related transaction taxes with respect to the  
19 qualified structure unless incurred in connection with a major  
20 addition, in which event only construction related transaction  
21 taxes that may be added to the capital account with respect to  
22 the major addition, determined without regard to any rule  
23 which permits expenditures properly chargeable to the capital  
24 account to be treated as current expenses, may be abated by  
25 complying with the procedures set forth by law or rule. The  
26 construction related transaction taxes levied for educational

1 purposes or capital improvements for education may not be  
2 abated.

3 (d) Mortgage and recording taxes with respect to  
4 mortgages, deeds, and documents relating to issuing or  
5 securing obligations and conveying title into or out of a  
6 public authority or county or municipal government with  
7 respect to removal of asbestos or asbestos material from a  
8 qualified structure may be abated by complying with the  
9 procedures set forth in this act.

10 Section 5. The Department of Revenue shall adopt all  
11 necessary rules and orders needed to implement and administer  
12 this act.

13 Section 6. This act shall become effective October  
14 1, 2014.