

1 SB119
2 162675-2
3 By Senators Hightower, Glover, Albritton, Melson, Stutts,
4 Reed, Beasley, Coleman, Dunn, Ross, Smith, Figures, Orr,
5 Waggoner, Dial, Holley, Chambliss, Allen, Bussman, Smitherman,
6 Marsh, Whatley, and Williams
7 RFD: Finance and Taxation Education
8 First Read: 03-MAR-15

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4 ENGROSSED

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7 A BILL
8 TO BE ENTITLED
9 AN ACT

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11 To provide for the preparation and distribution of a
12 tax expenditure report by the Legislative Fiscal Office for
13 the Legislature at the same time the Governor is required to
14 submit his or her budget to the Legislature; and to provide an
15 effective date.

16 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

17 Section 1. (a) Beginning in 2017 Regular Session of
18 the Legislature, the Legislative Fiscal Office shall prepare
19 and submit an annual report to the Legislature which lists all
20 state tax expenditures and the estimated cost associated with
21 each of the tax expenditures. For purposes of this act, "tax
22 expenditures" means those state revenue losses attributable to
23 the provisions of the constitution, state tax statutes or
24 rules promulgated pursuant to the statutes, which allow a
25 special exclusion, exemption or deduction, or which provide a
26 special credit or preferential tax rate. The report shall be
27 organized according to the funds into which the tax

1 expenditures would be dedicated but for the exemptions and
2 rate differentials. The report shall be submitted at the same
3 time that the Governor is required to submit his or her budget
4 proposal to the Legislature.

5 (b) The annual tax expenditure report shall include
6 the following:

7 (1) Each tax exemption and its constitutional and/or
8 statutory citation.

9 (2) An estimate of the revenue loss to the state
10 caused by each of the tax expenditures for the most recently
11 completed fiscal year.

12 (c) The Legislative Fiscal Office is authorized to
13 request and receive from the Department of Revenue or any
14 other state or local agency or official any information
15 necessary to complete the report required by this act. Such
16 information shall be subject to the confidentiality and
17 disclosure provisions of Section 40-2A-10, Code of Alabama
18 1975 however, these provisions shall not prevent the
19 aggregation and disclosure of any information necessary to
20 transparently complete the report required by this Act. In the
21 event that lack of information prevents the Legislative Fiscal
22 Office from making a reasonable estimate for any tax
23 expenditure, the Legislative Fiscal Office shall list the
24 expenditure with a notation that an estimate cannot be
25 determined.

26 (d) The House Ways and Means Education Committee and
27 the Senate Committee on Finance and Taxation - Education,

1 shall conduct joint hearings on the tax expenditure report
2 every even-numbered year, to be concluded thirty days before
3 the beginning of the regular session of the Legislature. From
4 time to time, the committees may report to the legislature
5 findings or recommendations developed as a result of the
6 hearings.

7 Section 2. This act shall become effective
8 immediately following its passage and approval by the
9 Governor, or its otherwise becoming law.

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Senate

Read for the first time and referred to the Senate
committee on Finance and Taxation Education 03-MAR-15

Read for the second time and placed on the calen-
dar 1 amendment..... 11-MAR-15

Read for the third time and passed as amended 18-MAR-15

Yeas 30
Nays 0

Patrick Harris
Secretary