

1 HB274
2 100387-4
3 By Representative Knight (Constitutional Amendment)
4 RFD: Education Appropriations
5 First Read: 05-FEB-08

1 ENGROSSED

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4 A BILL
5 TO BE ENTITLED
6 AN ACT
7

8 To propose an amendment to the Constitution of
9 Alabama of 1901, to eliminate the state income tax deduction
10 for federal income taxes for individual taxpayers; to increase
11 individual income tax standard deductions, personal
12 exemptions, and dependent exemptions; and to eliminate the
13 state sales tax on food.

14 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

15 Section 1. The following amendment to the
16 Constitution of Alabama of 1901, as amended, is proposed and
17 shall become valid as a part thereof when approved by a
18 majority of the qualified electors voting thereon and in
19 accordance with Sections 284, 285, and 287 of the Constitution
20 of Alabama of 1901, as amended:

21 PROPOSED AMENDMENT

22 (a) Amendment 225 of the Constitution of Alabama of
23 1901, now appearing as Section 211.04 of the Official
24 Recompilation of the Constitution of Alabama of 1901, is
25 repealed.

26 (b) Effective for all tax years beginning after
27 December 31, 2008, federal income taxes shall no longer be

1 allowed to be deducted in computing income subject to the
2 state individual income tax.

3 (c) Effective for all tax years beginning after
4 December 31, 2008, the optional standard deduction allowed to
5 individual income taxpayers shall be equal to the amount
6 allowed for federal income tax purposes pursuant to 26 U.S.C.
7 §63.

8 (d) Effective for all tax years beginning after
9 December 31, 2008, the personal exemption allowed for each
10 individual income taxpayer shall be not less than \$2,200. The
11 personal exemption allowed for married taxpayers filing
12 jointly shall be not less than \$4,400.

13 (e) Effective for all tax years beginning after
14 December 31, 2008, the exemption allowed for each dependent of
15 an individual income taxpayer shall be not less than \$2,200.

16 (f) Beginning January 1, 2009, the sale of food
17 shall be exempt from state sales tax. The sale of food to
18 corporations, S corporations, and limited liability entities,
19 as defined in Section 40-14A-1 shall not be exempt from state
20 sales tax. Local governments ~~shall~~ may continue to levy sales
21 taxes on food at the same rate collected for the local portion
22 of the retail sales tax. For purposes of this amendment, food
23 ~~is defined as substances, whether in liquid, concentrated,~~
24 ~~solid, frozen, dried, or dehydrated form, that are sold for~~
25 ~~ingestion or chewing by humans and are consumed for their~~
26 ~~taste or nutritional value. Food does not include alcoholic~~

1 ~~beverages, tobacco, or prepared food. As used herein, prepared~~
2 ~~food means any of the following:~~

3 ~~(1) Food sold in a heated state or heated by the~~
4 ~~seller;~~

5 ~~(2) Two or more food ingredients mixed or combined~~
6 ~~by the seller for sale as a single item;~~

7 ~~(3) Food or beverages sold in vending machines,~~
8 ~~snack bars, concession stands, restaurants, delicatessens, or~~
9 ~~delicatessens of grocery stores, supermarkets, discount~~
10 ~~stores, or department stores paid for at the delicatessen~~
11 ~~means food as defined for food stamp purposes in the Federal~~
12 ~~Food Stamp Act, 7 U.S.C. §2011, et seq. counter or elsewhere~~
13 ~~within the grocery store, supermarket, discount store, or~~
14 ~~department store; or~~

15 ~~(4) Food sold with eating utensils provided by the~~
16 ~~seller, including plates, knives, forks, spoons, glasses,~~
17 ~~cups, napkins, or straws. A plate does not include a container~~
18 ~~or packaging used to transport the food.~~

19 ~~Prepared food as defined in subdivision (2) does not~~
20 ~~include food that is only cut, repackaged, or pasteurized by~~
21 ~~the seller, and eggs, fish, meat, poultry, and foods~~
22 ~~containing these raw animal foods requiring cooking by the~~
23 ~~consumer as recommended by the Food and Drug Administration so~~
24 ~~as to prevent food borne illnesses.~~

25 Section 2. An election upon the proposed amendment
26 shall be held in accordance with Sections 284 and 285 of the

1 Constitution of Alabama of 1901, as amended, and the election
2 laws of this state.

3 Section 3. The appropriate election official shall
4 assign a ballot number for the proposed constitutional
5 amendment on the election ballot and shall set forth the
6 following description of the substance or subject matter of
7 the proposed constitutional amendment:

8 "Proposing an amendment to the Constitution of
9 Alabama of 1901, the "Tax Fairness Amendment of 2008," which
10 would remove the four percent state sales tax on food,
11 increase income tax standard deductions, personal exemptions,
12 and dependent exemptions, and remove the individual income tax
13 deduction for federal income taxes paid or accrued.

14 "Proposed by Act _____."

15 This description shall be followed by the following
16 language:

17 "Yes () No ()."

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House of Representatives

Read for the first time and re-
ferred to the House of Representa-
tives committee on Education Appro-
priations 05-FEB-08

Read for the second time and placed
on the calendar with 1 substitute
and 03-APR-08

Read for the third time and passed
as amended 15-APR-08

Yeas 63, Nays 38, Abstains 0

Greg Pappas
Clerk