

SB 299 -- Redline

Engrossed to Enrolled -- Relating to the Coal Production Tax Credit; to amend Section 40-18-220, Code of Alabama 1975, to allow the credit to be claimed against both income and utility services taxes; to allow the credits to be earned by all persons that increase their production of coal mined in Alabama from the prior year; to allow any unused credits to be carried forward for no more than five years;

Deletions ~~struck~~ · Insertions underlined

SB299 ~~ENGROSSED~~ENROLLED ~~RUOCMN-2~~RUOCMN-3 By Senator Orr RFD:

~~Finance~~Conference and Committee ~~Taxation on Education~~SB299 First Read:

09-May-23 2023 Regular Session Page 0 SB299 ~~Engrossed~~Enrolled ~~2~~Enrolled, ~~4~~An ~~6~~Act, ~~A3-BILL TO BE ENTITLED AN ACT~~ Relating to the Coal Production Tax Credit;

"Sec.40-18-220 (a) For the tax years beginning on and after January 1, 1995, every person corporation, whether a "subchapter S" corporation, as defined by the 1995 Internal Revenue Code, or not, foreign or domestic, that is doing business in Alabama, ~~Page 1 SB299 Engrossed~~ as a producer of coal mined in Alabama, shall be allowed a coal production credit to be used as provided in subsection (b) against the tax imposed by Section 40-18-2, in the amount of one dollar (\$1) per ton of increased production of coal over the previous year's production of coal as set out herein below.

The amount of the total Page 1 SB299 Enrolled of credit in any one year shall be based on the number of tons of Alabama coal produced by the person corporation in the year which exceeds the number of tons of Alabama coal produced by the person corporation in calendar year 1994.

~~Page 2 SB299 Engrossed~~ (c)(1) The coal production credit may be claimed as a credit against the taxes in subsection (b) that are actually paid.

Page 2 SB299 Enrolled (2) A person that is taxed as a flow-through entity may allocate the coal production credit among some or all of the owners in any manner specified, regardless of whether the allocation follows rules similar to 26 U.S.C.

~~Page 3 SB299 Engrossed~~ (3) Prior to claiming the coal production credit as provided in subdivision (c)(1), the person producing Alabama coal shall submit to the Department of Revenue a certification as to the amount of increased production of coal for the calendar year over the previous year's production of coal.

Page 3 SB299 Enrolled (d) The coal production tax credit shall be subject to the reporting requirements of Section 40-1-50.

The Reemployment Act of 2010, Article 10, commencing with Section 40-18-270, Chapter 18, of Title 40, Code of Alabama 1975, is repealed effective December 31, 2028, ~~Page 4 SB299 Engrossed~~ unless extended by an act of the Legislature prior to that date for no more than five additional years.

The Veterans Employment Act, Article 13, Page 4 SB299 Enrolled commencing with Section 40-18-320, Chapter 18, of Title 40, Code of Alabama 1975, is repealed effective December 31, 2028, unless extended by an act of the Legislature prior to that date for no more than five additional years.

The Alabama Enterprise Zone Act, Article 2, commencing with Section 41-23-20, Chapter 23, of Title 41, ~~Page 5 SB299 Engrossed~~ Code of Alabama 1975, is repealed effective December 31, 2028, unless extended by an act of the Legislature prior to that date for no more than five additional years.

Page 5 SB299 Enrolled Section 12.

(2) A statement providing that new tax credits shall expire on the first day of the calendar year following the calendar year that is five years from the effective date of ~~Page 6 SB299 Engrossed~~ the tax credit.

Page 6 SB299 Enrolled (4) A statement limiting the number of years for carryforward of unused credits to no more than five years.

This act shall become effective on the ~~Page 7 SB299 Engrossed~~ first day of the third month following its passage and approval by the Governor, or its otherwise becoming law, except that Section 1 shall become effective for tax years beginning on or after January 1, 2023, immediately following its passage and approval by the Governor, or its otherwise becoming law.

Page ~~8~~7 SB299 ~~Engrossed~~Enrolled Senate ~~Read~~President

~~for and the Presiding first Officer time of and the referred Senate~~ ~~09-May-23~~ ~~to Speaker of the Senate House committee of~~ ~~on Representatives Finance SB299 and Senate Taxation~~ ~~18-May-23~~ ~~Education~~ ~~I Read hereby for certify that the second within time Act and originated placed in~~ ~~10-May-23~~ ~~and on passed the calendar: Senate, as amended.~~

~~1~~Senate amendment ~~06-Jun-23~~ ~~Read~~I for hereby certify that the third within time Act originated in and passed ~~18-May-23~~ ~~the Senate, as amended~~ ~~Yeas by 31~~ ~~Conference~~ ~~Nays~~ ~~Committee~~ ~~@Report.~~ ~~Abstains @~~ ~~Patrick Harris, Secretary.~~

~~Page~~Patrick ~~9~~Harris, Secretary.

House of Representatives Amended and passed:

01-Jun-23 House of Representatives Passed 06-Jun-23, as amended by Conference Committee Report.

By:

Senator Orr Page 8

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