

HB257 INTRODUCED



1 HB257
2 9IXRBMB-1
3 By Representative Lovvorn
4 RFD: Ways and Means General Fund
5 First Read: 28-Feb-24



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SYNOPSIS:

This bill would create the Alabama Adventure Awaits sales tax holiday to occur annually the first weekend in March and the first weekend in August. This bill would exempt certain items from state sales and use tax and allow municipalities and counties to opt-in to the sales tax holiday. This bill would also amend the current local opt in provisions for the existing School Items and Severe Weather Preparedness sales tax holidays. In addition this bill would provide for the adjustment of the dollar value of items covered in each of the three sales tax holidays by the Consumer Price Index.

A BILL
TO BE ENTITLED
AN ACT

To create the Alabama Adventure Awaits sales tax holiday; to provide for the exemption of certain items from state sales and use tax during the sales tax holiday; to provide local opt-in provisions for the sales tax holiday; to amend sections 40-23-213 and 40-23-233, Code of Alabama 1975, relating to the local opt-in provisions for the existing



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29 School Items and Severe Weather Preparedness sales tax
30 holidays; and to add Sections 40-23-210.1 and 40-23-230.1 to
31 the Code of Alabama 1975, to provide for price adjustments
32 based on the Consumer Price Index.

33 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

34 Section 1. The sales tax holiday created by this act
35 shall be known as the Alabama Adventure Awaits sales tax
36 holiday.

37 Section 2. The Legislature finds that one of our
38 state's most successful tax relief endeavors has been the
39 School Tax Holiday, encouraging Alabamians to shop our local
40 stores in advance of the new school year. This annual holiday
41 gives citizens an opportunity to save on important purchases
42 that they make on an annual basis. One of the greatest joys of
43 living in Alabama is our abundance of outdoor resources. In
44 order to encourage purchases to help our citizens enjoy the
45 outdoors, the Legislature finds that a sales tax holiday would
46 be a benefit to our citizens to purchase items for hunting,
47 fishing, camping, youth sports, and other outdoor uses. The
48 holiday would reaffirm our state's commitment to the Second
49 Amendment, as well as to promote families spending time
50 together in the great outdoors.

51 Section 3. (a) As used in this act, the term "covered
52 items" includes the following:

53 (1) "Boating and water activity supplies" which shall
54 include life preservers and vests; coolers with a sales price
55 of one hundred and fifty dollars (\$150) or less; recreational
56 pool tubes, pool floats, inflatable chairs, and pool toys with



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57 a sales price of thirty-five dollars (\$35) or less; safety
58 flares with a sales price of fifty dollars (\$50) or less;
59 water skis, wakeboards, knee boards, and recreational
60 inflatable water tubes or floats capable of being towed with a
61 sales price of one hundred and fifty dollars (\$150) or less;
62 paddleboards and surfboards with a sales price of three
63 hundred dollars (\$300) or less; canoes, kayaks, and pirogues,
64 with a sales price of five hundred dollars (\$500) or less;
65 powered watercraft with a sales price of three hundred
66 thousand dollars (\$300,000) or less; paddles and oars with a
67 sales price of seventy-five dollars (\$75) or less; and
68 snorkels, goggles, and swimming masks with a sales price of
69 twenty-five dollars (\$25) or less.

70 (2) "Camping supplies" which shall include tents with a
71 sales price of two hundred dollars (\$200) or less; sleeping
72 bags, portable hammocks, camping stoves, and collapsible
73 camping chairs with a sales price of fifty dollars (\$50) or
74 less; and camping lanterns and flashlights with a sales price
75 of sixty dollars (\$60) or less.

76 (3) "Sports or recreational equipment" as defined in
77 Section 40-23-210, Code of Alabama 1975.

78 (4) "Fishing supplies" which shall include rods and
79 reels with a sales price of one hundred dollars (\$100) or less
80 if sold individually or two hundred dollars (\$200) or less if
81 sold as a set; tackle boxes or bags with sales price of thirty
82 (\$30) or less; and bait or fishing tackle with a sales price
83 of ten dollars (\$10) or less if sold individually or twenty
84 dollars (\$20) or less if multiple items are sold together. The



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85 term does not include supplies used for commercial fishing
86 purposes.

87 (5) "General outdoor supplies" which shall include
88 sunscreen, sunblock, or insect repellent with a sales price of
89 fifteen dollars (\$15) or less; sunglasses with a sales price
90 of one hundred dollars (\$100) or less; binoculars with a sales
91 price of two hundred dollars (\$200) or less; reusable water
92 bottles with a sales price of sixty dollars (\$60) or less;
93 hydration packs with a sales price of fifty dollars (\$50) or
94 less; outdoor gas or charcoal grills with a sales price of two
95 hundred and fifty dollars (\$250) or less; bicycle helmets with
96 a sales price of fifty dollars (\$50) or less; and bicycles
97 with a sales price of five hundred dollars (\$500) or less.

98 (6) "Gun safes" which shall mean a locking container or
99 other enclosure equipped with a padlock, key lock, combination
100 lock, or other locking device that is designed and intended
101 for the secure storage of one or more firearms.

102 (7) "Gun safety devices" which shall include any
103 integral devices to be equipped or installed on a firearm that
104 permits the user to program the firearm to operate only for
105 specified persons designated by the user through computerized
106 locking devices or other means integral to and permanently
107 part of the firearm.

108 (8) "Hunting supplies" which shall include the
109 purchases of any tangible personal property for the use of
110 hunting that is designed or intended by the manufacturer for
111 use in the hunt for wildlife with consideration to the
112 representation in packaging, display, promotion, or



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113 advertising as appropriate use for hunting, including, but not
114 limited to, firearms; ammunition; archery equipment; off-road
115 vehicles, such as all-terrain vehicles (ATVs); animal feed;
116 hunting apparel, belts and shoes; tools; firearm and archery
117 cases; firearm and archery accessories; range finders; knives;
118 decoys; tree stands; blinds; optics, hearing protection and
119 enhancements; holsters; and slings. Hunting supplies does not
120 include animals used for hunting.

121 (b) (1) For calendar year 2030, the Alabama Department
122 of Revenue, by rule, shall adjust the dollar amounts provided
123 in subsection (a) by the percentage increase in the Consumer
124 Price Index for all urban consumers as published by the U.S.
125 Department of Labor, Bureau of Labor Statistics for the
126 immediately preceding yearly periods of December 2024 to
127 December 2028, rounded to the nearest whole dollar.

128 (2) The Alabama Department of Revenue shall repeat the
129 adjustment provided in subdivision (1) every five calendar
130 years thereafter.

131 (3) The provisions of this subsection are applicable
132 upon the extension of this sales tax holiday as provided in
133 Section 7.

134 Section 4. Purchases of covered items, as defined in
135 Section 3, are exempt from the state sales and use tax during
136 the periods:

137 (i) from 12:01 a.m. on the first Friday in March of
138 each year and ending at twelve midnight the following Sunday.

139 (ii) from 12:01 a.m. on the first Friday in August of
140 each year and ending at twelve midnight the following Sunday.



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141 Section 5. The Commissioner of the Department of
142 Revenue shall adopt any rules necessary to implement and
143 administer this article including, but not limited to, a list
144 of those articles and items qualifying for the exemption
145 pursuant to this article.

146 Section 6. Any county or municipality may provide for
147 the exemption of the purchases of covered items from county or
148 municipal sales and uses taxes, respectively, during the
149 periods provided in Section 4 by adoption of a resolution or
150 ordinance at least 90 days prior to the sales tax holiday
151 period and under the same terms, conditions, and definitions
152 as provided for the state sales tax holiday. Notwithstanding
153 the foregoing, a county or municipality is prohibited from
154 providing such an exemption during any other period of the
155 year.

156 Section 7. The Alabama Adventure Awaits Sales Tax
157 Holiday provided in this Act shall cease on December 31, 2027,
158 unless extended by an act of the Legislature.

159 Section 8. Sections 40-23-213 and 40-23-233, Code of
160 Alabama 1975, are amended to read as follows:

161 "§40-23-213

162 Any county or municipality may, by resolution or
163 ordinance adopted at least ~~30~~90 days prior to the third full
164 weekend of July, provide for the exemption of covered items
165 from paying county or municipal sales and use taxes during a
166 period commencing at 12:01 a.m. on the third Friday in July of
167 each year and ending at 12 midnight the following Sunday under
168 the same terms, conditions, and definitions as provided for



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169 the state sales tax holiday. Notwithstanding the foregoing, a
170 county or municipality is prohibited from providing such an
171 exemption during any other period of the year."

172 "§40-23-233

173 Any county or municipality may, by resolution or
174 ordinance adopted at least 14 days prior to the first full
175 weekend of July in 2012 and at least ~~30~~90 days prior to the
176 last full weekend of February in subsequent years, provide for
177 the exemption of covered items from paying county or municipal
178 sales and use taxes during a period commencing at 12:01 a.m.
179 on the first Friday in July in 2012, and the Friday of the
180 last full weekend of February in subsequent years, and ending
181 at twelve midnight the following Sunday under the same terms,
182 conditions, and definitions as provided for the state sales
183 tax holiday. Notwithstanding the foregoing, a county or
184 municipality is prohibited from providing such an exemption
185 during any other period of the year that is not designated as
186 a sales tax holiday."

187 Section 9. Section 40-23-210.1 is added to the Code of
188 Alabama 1975, to read as follows:

189 §40-23-210.1

190 (a) For calendar year 2025, the Alabama Department of
191 Revenue, by rule, shall adjust the dollar amounts provided in
192 Section 40-23-210 by the percentage increases in the Consumer
193 Price Index for all urban consumers as published by the U.S.
194 Department of Labor, Bureau of Labor Statistics from December
195 2006 to December 2023, rounded to the nearest whole dollar.

196 (b) The Alabama Department of Revenue shall repeat the



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197 adjustment provided in subsection (a) every five calendar
198 years thereafter.

199 Section 10. Section 40-23-230.1 is added to the Code of
200 Alabama 1975, to read as follows:

201 §40-23-230.1

202 (a) For calendar year 2025, the Alabama Department of
203 Revenue, by rule, shall adjust the dollar amounts provided in
204 Section 40-23-230, Code of Alabama 1975, by the percentage
205 increases in the Consumer Price Index for all urban consumers
206 as published by the U.S. Department of Labor, Bureau of Labor
207 Statistics from December 2012 to December 2023, rounded to the
208 nearest whole dollar.

209 (b) The Alabama Department of Revenue shall repeat the
210 adjustment provided in subsection (a) every five calendar
211 years thereafter.

212 Section 11. This act shall become effective on October
213 1, 2024, only upon the enactment of House Bill __ of the 2024
214 Regular Session, regarding the simplified sellers use tax.