

1 HB454
2 117254-1
3 By Representatives Barton, Ison, Gordon, McMillan, Davis and
4 Collier
5 RFD: Education Appropriations
6 First Read: 26-JAN-10

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8 SYNOPSIS: This bill would allow a taxpayer to claim a
9 state income tax credit up to a certain amount for
10 costs incurred to retrofit a taxpayer's permanent
11 place of abode to resist loss due to hurricane or
12 other catastrophic windstorm events in accordance
13 with subsection (b) of Section 2 of Act 2009-500 of
14 the 2009 Regular Session now appearing as Section
15 27-31D-2, Code of Alabama 1975; would provide for
16 the calculation of the state income tax credit up
17 to a certain amount for state sales tax paid on
18 tangible personal property used to retrofit the
19 taxpayer's permanent place of abode pursuant to
20 Section 27-31D-2; and would allow a taxpayer to
21 claim a state income tax credit up to a certain
22 amount for excess premium paid during the
23 applicable tax year for property and casualty
24 insurance providing coverage for the taxpayer's
25 permanent place of abode.

26
27 A BILL

1 TO BE ENTITLED

2 AN ACT

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4 To allow a taxpayer to claim a state income tax
5 credit for costs incurred to retrofit a permanent place of
6 abode to resist loss due to hurricane or other catastrophic
7 windstorm events; to provide for the calculation of the state
8 income tax credit for state sales tax paid on tangible
9 personal property used to retrofit the taxpayer's permanent
10 place of abode pursuant to Section 27-31D-2, Code of Alabama
11 1975; and to allow a taxpayer to claim a state income tax
12 credit for excess premium paid for property and casualty
13 insurance under certain circumstances.

14 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

15 Section 1. This act may be cited as the Consumer
16 Hurricane Mitigation Tax Credit Act.

17 Section 2. (a) An individual taxpayer is allowed a
18 credit against the tax imposed pursuant to Title 40, Chapter
19 18, Code of Alabama 1975, for costs incurred to retrofit, as
20 specified in subsection (b), a structure qualifying as the
21 taxpayer's permanent place of abode as defined in subsection
22 (b) of Section 40-18-2, Code of Alabama 1975, to resist loss
23 due to hurricane or other catastrophic wind events.

24 (b) In order to qualify for the state income tax
25 credit allowed pursuant to this section, the cost must not
26 include ordinary repair of existing items and must be

1 associated with those retrofit measures defined in subsection
2 (c).

3 (c) The retrofit measures qualifying for the state
4 income tax credit allowed pursuant to this section are
5 prescribed in subsection (b) of Section 27-31D-2, Code of
6 Alabama 1975.

7 (d) The tax credit allowed pursuant to this section
8 for any taxable year must not exceed the lesser of:

9 (1) Twenty-five percent of the cost incurred; or

10 (2) One thousand dollars (\$1,000).

11 (e) The cost of the items that otherwise qualify for
12 the credit that are purchased with federal, state, or private
13 grant funds are not eligible for this credit if the grant
14 funds are not included in the income of the taxpayer.

15 Section 3. (a) An individual taxpayer may claim a
16 credit against the income tax imposed pursuant to Title 40,
17 Chapter 18, Code of Alabama 1975, for Alabama state sales tax
18 paid on the retail sale of tangible personal property used to
19 retrofit the individual's permanent place of abode. The state
20 income tax credit amount is calculated by multiplying by four
21 percent the purchase price of tangible personal property for
22 which the individual may claim the income tax credit in
23 Section 1. The maximum credit allowed under this section is
24 one thousand five hundred dollars (\$1,500).

25 (b) The cost of items that otherwise qualify for the
26 credit that are purchased with federal, state, or private

1 grant funds are not eligible for this credit if the grant
2 funds are not included in the income of the taxpayer.

3 Section 4. (a) An individual taxpayer may claim a
4 credit against the income tax imposed pursuant to Title 40,
5 Chapter 18, Code of Alabama 1975, for excess premium paid
6 during the applicable tax year for property and casualty
7 insurance, as defined in Sections 27-5-5 and 27-5-6, Code of
8 Alabama 1975, providing property and casualty coverage on the
9 taxpayer's permanent place of abode.

10 (b) For the purposes of computing the credit allowed
11 under this section, excess premium paid is the amount by which
12 the premium paid exceeds five percent of the taxpayer's
13 adjusted gross income.

14 (c) (1) The credit allowed pursuant to this section
15 for any taxable year may not exceed one thousand two hundred
16 fifty dollars (\$1,250).

17 (2) If the credit allowed under this section exceeds
18 the state income tax liability for the taxable year, any
19 unused credit may be carried forward for five succeeding
20 taxable years.

21 Section 5. This act shall become effective January
22 1, 2011, following its passage and approval by the Governor,
23 or its otherwise becoming law.