SB4

202593-3

By Senator Elliott

RFD: Finance and Taxation Education

First Read: 04-FEB-20

PFD: 07/17/2019
SYNOPSIS: This bill would establish an income tax credit for eligible taxpayers who pay toll fees to certain toll roads, bridges, or tunnels that are constructed with public funds.

A BILL TO BE ENTITLED AN ACT

Relating to taxation; to provide an income tax credit for eligible taxpayers who pay toll road or bridge fees to the Alabama Toll Road, Bridge, and Tunnel Authority, or to a concessionaire of the Authority.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. (a) As used in this Chapter, the following terms shall have the following meanings:

(1) AUTHORITY. The Alabama Toll Road, Bridge, and Tunnel Authority, as defined in Section 23-2-142, Code of Alabama 1975.
(2) AUTHORITY PROJECT. Any type of transportation project constructed or to be constructed on or after the effective date of this act by or on behalf of the authority using public funds of the state, including a project that is leased to a concessionaire by the authority or the Department of Transportation.

(3) TOLL ROAD AND BRIDGE FEES. Any fees prescribed by the authority, or an authority concessionaire, for the use of any toll road, bridge, causeway, or tunnel under the jurisdiction or ownership of the authority, or the operational management of an authority concessionaire.

(4) TAXPAYER. Any person subject to a tax imposed by Chapter 18 of Title 40, Code of Alabama 1975, or whose income is, in whole or in part, subject to a tax imposed by Chapter 18 of Title 40, Code of Alabama 1975.

Section 2. (a) An Alabama income tax credit is established for taxpayers who pay toll road or bridge fees to the authority or an authority concessionaire. The tax credit shall equal the total amount of toll road or bridge fees an eligible taxpayer pays in a tax year.

(b) The tax credit can only be claimed for tolls associated with authority projects which are completed after the effective date of this act. The entire tax credit may be claimed by the taxpayer in the taxable year in which the toll bridge fees are recognized. Where the taxes owed by the eligible taxpayer are less than the tax credit, the eligible taxpayer may be entitled to claim a refund for the difference.
The tax credit is not transferable. An eligible taxpayer applying for the tax credit shall apply each year to receive the credit.

(c) Tax credits granted to a partnership, a limited liability company, S-Corporations, trusts, or estates, shall be claimed at the entity level and shall not pass through to the partners, members, or owners.

(d) There is created within the Education Trust Fund a separate account named the Toll Authority Income Tax Credit Account. The Commissioner of Revenue shall certify to the Comptroller the amount of income tax credits under this section and the Comptroller shall transfer into the Toll Authority Income Tax Credit Account an amount from sales tax revenues deposited into the Education Trust Fund that is sufficient for the Department of Revenue to use for the income tax credits for the applicable tax year. The Commissioner of Revenue shall allocate the funds in the Toll Authority Income Tax Credit Account pursuant to this section. The Legislature shall provide by statute or otherwise for the replenishment of the Education Trust Fund for the income tax credits provided in this section from the state's share of Gulf of Mexico Energy Security Act (GOMESA) revenues or any other revenue source dedicated for that purpose.

(e) The Department of Revenue shall prescribe a form to claim the tax credit issued under this act that provides information to the department sufficient for the proper
administration of the tax credit. The Department of Revenue shall promulgate rules for the implementation of this act.

Section 3. This act shall become effective immediately following its passage and approval by the Governor, or its otherwise becoming law.