

1 SB303  
2 190727-1  
3 By Senator Hightower (Constitutional Amendment)  
4 RFD: Finance and Taxation Education  
5 First Read: 13-FEB-18

2  
3  
4  
5  
6  
7  
8 SYNOPSIS: This bill would propose an amendment to  
9 Amendment 212, as amended by Amendment 662, of the  
10 Constitution of 1901, now appearing as Section  
11 211.03 of the Official Recompilation of the  
12 Constitution of Alabama of 1901, as amended, to  
13 provide for a corporate income tax rate reduction  
14 trigger.

15  
16 A BILL  
17 TO BE ENTITLED  
18 AN ACT  
19

20 Proposing an amendment to Amendment 212, as amended  
21 by Amendment 662, of the Constitution of Alabama of 1901, now  
22 appearing as Section 211.03 of the Official Recompilation of  
23 the Constitution of Alabama of 1901, as amended, to provide  
24 for a corporate income tax rate reduction trigger.

25 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

26 Section 1. The following amendment to the  
27 Constitution of Alabama of 1901, as amended, is proposed and

1 shall become valid as a part thereof when approved by a  
2 majority of the qualified electors voting thereon and in  
3 accordance with Sections 284, 285, and 287 of the Constitution  
4 of Alabama of 1901, as amended:

5 PROPOSED AMENDMENT

6 Amendment 212, as amended by Amendment 662, is  
7 further amended to read as follows: Amendment 662.

8 "(a) The legislature shall have power to levy and  
9 provide for the collection of taxes for state purposes on  
10 taxable income of corporations, from whatever source derived,  
11 for the calendar year 1963, or for any fiscal year beginning  
12 in the calendar year 1963, and each year thereafter, at a rate  
13 not exceeding five percent. However, the rate shall be six and  
14 one-half percent on taxable income of corporations for the  
15 calendar year 2001, or for any fiscal year beginning in the  
16 calendar year 2001, and each year thereafter. All federal  
17 income taxes paid or accrued within the taxable year by  
18 corporations shall always be deductible in computing income  
19 taxable under the income tax laws of this state, provided that  
20 in the case of foreign corporations the amount of federal  
21 income tax deductible shall be in proportion to income derived  
22 from sources within Alabama, to be determined in accordance  
23 with such laws as the legislature may enact. The increase in  
24 the corporate income tax rate to six and one-half percent  
25 provided by this amendment shall be self-executing and shall  
26 require no enabling legislation.

1                   "(b) Beginning in tax years after December 31, 2018,  
2 the rate shall be decreased by three-tenths of a percent  
3 (0.3%) the following January 1 after the close of any fiscal  
4 year that the gross corporate income tax receipts exceed five  
5 hundred and fifty million dollars (\$550,000,000)."

6                   Section 2. An election upon the proposed amendment  
7 shall be held in accordance with Sections 284 and 285 of the  
8 Constitution of Alabama of 1901, now appearing as Sections 284  
9 and 285 of the Official Recompilation of the Constitution of  
10 Alabama of 1901, as amended, and the election laws of this  
11 state.

12                   Section 3. The appropriate election official shall  
13 assign a ballot number for the proposed constitutional  
14 amendment on the election ballot and shall set forth the  
15 following description of the substance or subject matter of  
16 the proposed constitutional amendment:

17                   "Proposing an amendment to the Constitution of  
18 Alabama of 1901, to amend Amendment No. 212, as amended by  
19 Amendment No. 662, to the Constitution of Alabama of 1901, now  
20 appearing as Section 211.03 of the Official Recompilation of  
21 the Constitution of Alabama of 1901 as amended, to provide for  
22 a corporate income tax rate reduction trigger."

23                   "Proposed by Act \_\_\_\_\_."

24                   This description shall be followed by the following  
25 language:

26                   "Yes ( ) No ( )."