HB428

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By Representatives Lovvorn, Wood (D), Blackshear, Hanes, Warren, Forte, Gray, Fincher, Wingo and Holmes

RFD: Ways and Means Education

First Read: 11-APR-19
SYNOPSIS: This bill would establish an income tax credit for eligible taxpayers who incur costs for the construction, acquisition, or installation of a qualified storm shelter, as defined.

A BILL TO BE ENTITLED AN ACT Relating to taxation; to provide an income tax credit for the construction, acquisition, or installation of a qualified storm shelter.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. (a) As used in this act, the term qualified storm shelter means a storm shelter or safe room to which all of the following apply:

(1) The design is capable of withstanding an EF5 tornado.

(2) The shelter or room is either of the following:
a. Placed in service as an attachment to the
taxpayer's primary residence, or on the same lot or parcel as
the residence, and no other qualified storm shelter is
attached to the residence.

b. Placed in service in a residential development,
apartment complex, or condominium for common use by the owner
or occupants of property within the development, apartment
complex, or condominium.

(3) The shelter or room meets or exceeds the most
recent Federal Emergency Management Agency minimum criteria
for the design, construction, and operation of residential
safe rooms.

(b) An Alabama income tax credit is established for
eligible taxpayers who incur costs for the construction,
acquisition, or installation of a qualified storm shelter. The
tax credit shall equal one-third of the total cost of the
construction, acquisition, and installation of the qualified
storm shelter, and shall be given each year for a period of
three years.

(c) The tax credit issued under this act may not
decrease a taxpayer's tax liability to less than zero. The tax
credit is not refundable or transferable. A taxpayer applying
for the tax credit shall apply each year to receive the credit
for the preceding calendar year; provided, the tax credit for
a shelter placed in service as an attachment to a taxpayer's
primary residence may not exceed six thousand dollars
($6,000), and the tax credit for a shelter placed in service
in a residential development, apartment complex, or
condominium for common use by the owner or occupants of
property within the development, apartment complex, or
condominium may not exceed twenty-five thousand dollars
($25,000).

(d) 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 form shall allow a
taxpayer to submit documentation that the costs for which the
taxpayer claims credit were incurred for the construction,
acquisition, or installation of a qualified storm shelter and
that the qualified storm shelter meets or exceeds the Federal
Emergency Management Agency minimum criteria for safety.

Section 2. This act shall become effective on the
first day of the third month following its passage and
approval by the Governor, or its otherwise becoming law.