

1 HB11
2 203271-1
3 By Representative Lipscomb
4 RFD: Ways and Means Education
5 First Read: 04-FEB-20
6 PFD: 01/14/2020

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8 SYNOPSIS: This bill would allow a tax credit for the
9 purchase of tires to be claimed by automobile
10 manufacturers and aviation manufacturers who
11 manufacture motor vehicles and aircraft within the
12 state of Alabama and are subject to Alabama income
13 tax.

14
15 A BILL
16 TO BE ENTITLED
17 AN ACT
18

19 To create an income tax credit for in-state
20 automobile manufacturers and in-state aviation manufacturers.

21 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

22 Section 1. The following terms shall have the
23 following meanings for the purposes of this bill:

24 (1) AUTOMOBILE MANUFACTURER. Any business described
25 by NAICS Code 3361 and 3362.

26 (2) AVIATION MANUFACTURER. Any business described by
27 NAICS Code 336411.

1 (3) IN-STATE AUTOMOBILE MANUFACTURER. Taxpayer who
2 is an automobile manufacturer, herein defined, and who is
3 subject to the tax on taxable income per Section 40-18-2, Code
4 of Alabama 1975.

5 (4) IN-STATE AVIATION MANUFACTURER. Taxpayer who is
6 an aviation manufacturer, herein defined, and who is subject
7 to the tax on taxable income per Section 40-18-2, Code of
8 Alabama 1975.

9 (5) TAXPAYER. As this term is defined in Section
10 40-18-1, Code of Alabama 1975.

11 Section 2. (a) There shall be allowed an income tax
12 credit to any in-state automobile manufacturer or in-state
13 aviation manufacturer equal to the cost of the purchase of
14 tires manufactured in the state of Alabama used in the
15 production of an automobile or aircraft.

16 (b) In no event shall the credit by this act exceed
17 \$5,000,000 per year.

18 (c) Where the taxes owed by the taxpayers are less
19 than the tax credit, the taxpayer shall not be entitled to
20 claim a refund for the difference. The tax credit is not
21 transferable.

22 (d) The Alabama Department of Revenue shall
23 promulgate rules to administer and implement the provisions of
24 this act.

25 Section 3. The tax credit allowed under this bill
26 shall be effective January 1, 2020, for the 2020 taxable year

1 and shall continue through the 2025 tax year, unless extended
2 by an act of the Legislature.

3 Section 4. This act shall become effective on the
4 first day of the third month following its passage and
5 approval by the Governor, or its otherwise becoming law.