

1 SB342
2 206855-1
3 By Senator Elliott
4 RFD: Finance and Taxation Education
5 First Read: 04-MAY-20

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8 SYNOPSIS: This bill would provide for an exclusion
9 from Alabama taxation for any federal tax credits,
10 advance refunds, or loan forgiveness resulting from
11 the federal Coronavirus Aid, Relief, and Economic
12 Security Act.

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14 A BILL
15 TO BE ENTITLED
16 AN ACT

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18 To provide for an exclusion from Alabama tax for
19 federal tax credits, advance refunds, or loan forgiveness
20 received from the federal Coronavirus Aid, Relief, and
21 Economic Security Act.

22 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

23 Section 1. (a) Any tax credits or advance refund
24 amounts received as a result of the federal Coronavirus Aid,
25 Relief, and Economic Security Act shall be excluded from
26 Alabama individual income taxation.

1 (b) For taxable year 2020, any tax credits or
2 advance refund amounts received as a result of the federal
3 Coronavirus Aid, Relief, and Economic Security Act shall also
4 be excluded from any and all calculations in determining a
5 taxpayer's federal income tax deduction pursuant to Section
6 40-18-15.

7 (c) Any amount of a loan forgiven by the provisions
8 of the federal Coronavirus Aid, Relief, and Economic Security
9 Act:

10 (1) Shall be exempt from the income taxes imposed by
11 Chapter 18 of Title 40 and from financial institution tax
12 imposed by Chapter 16 of Title 40, to the same extent as the
13 amount is exempt from the federal income tax.

14 (2) Shall not be considered in determining the
15 deductibility of otherwise deductible expenses, such as
16 payroll or rent, allowed to be paid with the exempt funds, to
17 the same extent as the expenses remain deductible in
18 calculating the federal income tax.

19 (3) Shall not be taken into consideration in the
20 calculation of the taxpayer's federal income tax deduction
21 allowed under Chapter 18 or Chapter 16 of Title 40.

22 Section 2. This act shall become effective
23 immediately following its passage and approval by the
24 Governor, or its otherwise becoming law.