

1 HB465
2 218184-1
3 By Representative Grimsley
4 RFD: Ways and Means Education
5 First Read: 08-MAR-22

2
3
4
5
6
7
8 SYNOPSIS: Under existing law, various entities are
9 exempt from state and local taxation.

10 This bill would provide that the Alabama
11 State Missionary Baptist Convention, Incorporated,
12 and each local Baptist association which is a
13 member in good standing of the convention, and all
14 real and personal property of the convention and
15 each association, would be exempt from all state,
16 county, and municipal taxes.

17
18 A BILL
19 TO BE ENTITLED
20 AN ACT
21

22 To amend Section 40-9-12, Code of Alabama 1975, as
23 amended by Act 2021-299 of the 2021 Regular Session, relating
24 to tax exemptions; to provide that the Alabama State
25 Missionary Baptist Convention, Incorporated, and each local
26 Baptist association which is a member in good standing of the

1 convention, would be exempt from all state, county, and
2 municipal taxes.

3 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

4 Section 1. Section 40-9-12, Code of Alabama 1975, as
5 amended by Act 2021-299 of the 2021 Regular Session, is
6 amended to read as follows:

7 "§40-9-12.

8 "(a) The National Foundation's Alabama Field
9 Offices, all Young Men's Hebrew Associations (Y.M.H.A.) also
10 known as Jewish Community Centers (J.C.C.), and all real and
11 personal property of all Young Men's Hebrew Associations
12 (Y.M.H.A.) also known as Jewish Community Centers (J.C.C.),
13 the Alabama State Missionary Baptist Convention, Incorporated,
14 and each local Baptist association which is a member in good
15 standing of the convention, and all real and personal property
16 of the convention and each association, the Seamen's Home of
17 Mobile, incorporated under Act No. 145, Acts of Alabama
18 1844-45, the Girl Scouts of America and the Boy Scouts of
19 America, and any council, troop or other subdivision thereof
20 now existing or hereafter created and all real and personal
21 property of the Girl Scouts of America and the Boy Scouts of
22 America, and any council, troop or other subdivision thereof
23 now existing or hereafter created, the Catholic Maritime Club
24 of Mobile, Inc., the Knights of Pythias Lodges, the Salvation
25 Army, Inc., the Elks Memorial Center, and all real and
26 personal property of the Salvation Army, Inc., and the Elks
27 Memorial Center, all United Way organizations and United Way

1 member agencies in Alabama, other qualifying united appeal
2 funds and their recipients as provided in subsection (d), and
3 the real and personal property of all United Way organizations
4 and United Way member agencies in Alabama, other qualifying
5 united appeal funds and their recipients as provided in
6 subsection (d), and the Alabama Masonic Home, the American
7 Cancer Society, and all real and personal property of American
8 Cancer Society, the New Hope Industries of Dothan, and all
9 real and personal property of the New Hope Industries of
10 Dothan, the Helping Hand Club of Anniston, and all real and
11 personal property of the Helping Hand Club of Anniston,
12 Childhaven, Inc., and all real and personal property of
13 Childhaven, Inc., Presbyterian Home for Children and all real
14 and personal property of Presbyterian Home for Children,
15 Freewill Baptist Children's Home and all real and personal
16 property of Freewill Baptist Children's Home, Methodist Homes
17 for the Aging and all real and personal property of Methodist
18 Homes for the Aging, and United Methodist Children's Home and
19 all real and personal property of United Methodist Children's
20 Home, Birmingham Building Trades Towers of Birmingham,
21 Alabama, a nonprofit corporation, the Holy Comforter House,
22 Inc., of Gadsden, Alabama, a nonprofit corporation, the
23 University of Alabama Huntsville Foundation and all real and
24 personal property of the University of Alabama Huntsville
25 Foundation, the Birmingham Football Foundation, Inc., a
26 nonprofit corporation, and all real and personal property of
27 the Birmingham Football Foundation, Inc., and of any branch or

1 department of any of same heretofore or hereafter organized
2 and existing in good faith in the State of Alabama, for other
3 than pecuniary gain and not for individual profit, when such
4 real or personal property shall be used by such associations
5 or nonprofit corporations, their branches or departments in
6 and about the conducting, maintaining, operating and carrying
7 out of the program, work, principles, objectives, and policies
8 of such associations or nonprofit corporations, their branches
9 or departments, in any city or county of the State of Alabama,
10 are exempt from the payment of any and all state, county, and
11 municipal taxes, licenses, fees, and charges of any nature
12 whatsoever, including any privilege or excise tax heretofore
13 or hereafter levied by the State of Alabama or any county or
14 municipality thereof. The receipt, assessment or collection of
15 any fee, admission, service charge, rent, dues, or any other
16 item or charge by any such association or nonprofit
17 corporation, its branches or departments from any person,
18 firm, or corporation for any services rendered by any such
19 association or nonprofit corporation, its branches or
20 departments or for the use or occupancy of any real or
21 personal property of any such association or nonprofit
22 corporation, its branches or departments in or about the
23 conducting, maintaining, operating, and carrying out of the
24 program, work, principles, objectives, and policies of any
25 such association or nonprofit corporation, its branches, or
26 departments shall not be held or construed by any court,
27 agency, officer, or commission of the State of Alabama, or any

1 county or municipality thereof, to constitute pecuniary gain
2 or individual profit by any such association or nonprofit
3 corporation, its branches or departments, or the doing of
4 business in such a manner as to prejudice or defeat, in any
5 manner, the right and privilege of any such association or
6 nonprofit corporation, its branches or departments to claim or
7 rely upon or receive the exemption of such association or
8 nonprofit corporation, its branches or departments and of all
9 real and personal property thereof from taxation, as herein
10 provided.

11 "(b) With respect to gasoline, tobacco, playing card
12 tax or any other tax required by law to be prepaid by the
13 retailer, the associations, nonprofit corporations, or
14 organizations exempt under this section shall pay the
15 appropriate tax at the time purchases are made, and the amount
16 of such tax shall be refunded to such associations, nonprofit
17 corporations, or organizations by the Department of Revenue
18 pursuant to the procedures for refunds provided in Chapter 2A
19 of this title.

20 "(c) For purposes of this section, the following
21 words and phrases shall have the following meanings:

22 "(1) SUPPORTED CHARITY. Any charitable, civic, or
23 eleemosynary institution for which a united appeal fund
24 solicits funds.

25 "(2) UNITED APPEAL FUND. Any nonprofit entity that
26 demonstrates to the reasonable satisfaction of the Department
27 of Revenue that it has all of the following characteristics:

1 "a. Is an Alabama nonprofit corporation, or another
2 type of legal entity, whether formed in Alabama or in another
3 jurisdiction, which is required by its principal governing
4 documents to be operated as a charity.

5 "b. Is one of a class, donations to which are
6 deductible for federal and Alabama income tax purposes under
7 Section 170(c) of the Internal Revenue Code.

8 "c. Has as its principal purpose, as stated by its
9 principal governing documents, the raising of funds or the
10 aggregation or consolidation of fund raising efforts, to
11 support other charities which are not themselves united appeal
12 funds, known as supported charities.

13 "d. Has been issued a Certificate of Exemption from
14 Alabama sales, use, and lodgings tax prior to July 1, 2017,
15 and has continually maintained the Certificate of Exemption as
16 required by Section 40-9-60.

17 "e. With respect to the distribution of funds raised
18 by the united appeal fund, the entity's principle governing
19 documents must require that no supported charity, as defined
20 in this subsection, will receive de minimis support.

21 "(3) UNITED WAY MEMBER AGENCY. Any nonprofit
22 organization that receives funding through the approval of the
23 board of a United Way organization, but only if the nonprofit
24 organization is:

25 "a. Accountable to the granting United Way
26 organization for the expenditure of any funds received from
27 such United Way organization.

1 "b. Included on a list of such nonprofit
2 organizations to be submitted to the Department of Revenue
3 under subsection (e) by all United Way organizations on or
4 before a date provided for in a rule of the Department of
5 Revenue.

6 "(4) UNITED WAY ORGANIZATION. Any nonprofit
7 corporation legally authorized and licensed to operate under
8 the name United Way and use the name United Way and the
9 associated logo and trademarks.

10 "(d) (1) Each supported charity must be separately
11 identified by name in the principal governing documents of the
12 united appeal fund entity, and by name and federal employer
13 identification number at the request of the Department of
14 Revenue. Each supported charity must agree, in its own
15 principal governing documents, to become or remain a member of
16 the united appeal fund that funded the supported charity.

17 "(2) The special rules provided in this subsection
18 shall not apply to any United Way organization or any United
19 Way member agency.

20 "(e) (1) Each United Way organization shall provide
21 the Department of Revenue with a list of its constituent
22 United Way member agencies on an annual basis.

23 "(2) The Department of Revenue, by rule, shall
24 provide the date on which United Way organizations shall
25 submit the list required by this subsection.

26 "(f) The Alabama State Missionary Baptist
27 Convention, Incorporated, shall submit a list of each local

1 Baptist association that is in good standing with the
2 convention to the Department of Revenue as provided by rule of
3 the department."

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