HB465

218184-1

By Representative Grimsley

RFD: Ways and Means Education

First Read: 08-MAR-22
SYNOPSIS: Under existing law, various entities are exempt from state and local taxation.

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

A BILL
TO BE ENTITLED
AN ACT

To amend Section 40-9-12, Code of Alabama 1975, as amended by Act 2021-299 of the 2021 Regular Session, relating to tax exemptions; to provide that the Alabama State Missionary Baptist Convention, Incorporated, and each local Baptist association which is a member in good standing of the
convention, would be exempt from all state, county, and
municipal taxes.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

"§40-9-12.

"(a) The National Foundation's Alabama Field
Offices, all Young Men's Hebrew Associations (Y.M.H.A.) also
known as Jewish Community Centers (J.C.C.), and all real and
personal property of all Young Men's Hebrew Associations
(Y.M.H.A.) also known as Jewish Community Centers (J.C.C.),
the Alabama State Missionary Baptist Convention, Incorporated,
and each local Baptist association which is a member in good
standing of the convention, and all real and personal property
of the convention and each association, the Seamen's Home of
Mobile, incorporated under Act No. 145, Acts of Alabama
1844-45, the Girl Scouts of America and the Boy Scouts of
America, and any council, troop or other subdivision thereof
now existing or hereafter created and all real and personal
property of the Girl Scouts of America and the Boy Scouts of
America, and any council, troop or other subdivision thereof
now existing or hereafter created, the Catholic Maritime Club
of Mobile, Inc., the Knights of Pythias Lodges, the Salvation
Army, Inc., the Elks Memorial Center, and all real and
personal property of the Salvation Army, Inc., and the Elks
Memorial Center, all United Way organizations and United Way
member agencies in Alabama, other qualifying united appeal
funds and their recipients as provided in subsection (d), and
the real and personal property of all United Way organizations
and United Way member agencies in Alabama, other qualifying
united appeal funds and their recipients as provided in
subsection (d), and the Alabama Masonic Home, the American
Cancer Society, and all real and personal property of American
Cancer Society, the New Hope Industries of Dothan, and all
real and personal property of the New Hope Industries of
Dothan, the Helping Hand Club of Anniston, and all real and
personal property of the Helping Hand Club of Anniston,
Childhaven, Inc., and all real and personal property of
Childhaven, Inc., Presbyterian Home for Children and all real
and personal property of Presbyterian Home for Children,
Freewill Baptist Children's Home and all real and personal
property of Freewill Baptist Children's Home, Methodist Homes
for the Aging and all real and personal property of Methodist
Homes for the Aging, and United Methodist Children's Home and
all real and personal property of United Methodist Children's
Home, Birmingham Building Trades Towers of Birmingham,
Alabama, a nonprofit corporation, the Holy Comforter House,
Inc., of Gadsden, Alabama, a nonprofit corporation, the
University of Alabama Huntsville Foundation and all real and
personal property of the University of Alabama Huntsville
Foundation, the Birmingham Football Foundation, Inc., a
nonprofit corporation, and all real and personal property of
the Birmingham Football Foundation, Inc., and of any branch or
department of any of same heretofore or hereafter organized
and existing in good faith in the State of Alabama, for other
than pecuniary gain and not for individual profit, when such
real or personal property shall be used by such associations
or nonprofit corporations, their branches or departments in
and about the conducting, maintaining, operating and carrying
out of the program, work, principles, objectives, and policies
of such associations or nonprofit corporations, their branches
or departments, in any city or county of the State of Alabama,
are exempt from the payment of any and all state, county, and
municipal taxes, licenses, fees, and charges of any nature
whatsoever, including any privilege or excise tax heretofore
or hereafter levied by the State of Alabama or any county or
municipality thereof. The receipt, assessment or collection of
any fee, admission, service charge, rent, dues, or any other
item or charge by any such association or nonprofit
corporation, its branches or departments from any person,
firm, or corporation for any services rendered by any such
association or nonprofit corporation, its branches or
departments or for the use or occupancy of any real or
personal property of any such association or nonprofit
corporation, its branches or departments in or about the
conducting, maintaining, operating, and carrying out of the
program, work, principles, objectives, and policies of any
such association or nonprofit corporation, its branches, or
departments shall not be held or construed by any court,
agency, officer, or commission of the State of Alabama, or any
county or municipality thereof, to constitute pecuniary gain or individual profit by any such association or nonprofit corporation, its branches or departments, or the doing of business in such a manner as to prejudice or defeat, in any manner, the right and privilege of any such association or nonprofit corporation, its branches or departments to claim or rely upon or receive the exemption of such association or nonprofit corporation, its branches or departments and of all real and personal property thereof from taxation, as herein provided.

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

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

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

"(2) UNITED APPEAL FUND. Any nonprofit entity that demonstrates to the reasonable satisfaction of the Department of Revenue that it has all of the following characteristics:
"a. Is an Alabama nonprofit corporation, or another type of legal entity, whether formed in Alabama or in another jurisdiction, which is required by its principal governing documents to be operated as a charity.

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

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

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

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

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

"a. Accountable to the granting United Way organization for the expenditure of any funds received from such United Way organization.
"b. Included on a list of such nonprofit organizations to be submitted to the Department of Revenue under subsection (e) by all United Way organizations on or before a date provided for in a rule of the Department of Revenue.

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

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

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

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

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

"(f) The Alabama State Missionary Baptist Convention, Incorporated, shall submit a list of each local
Baptist association that is in good standing with the
convention to the Department of Revenue as provided by rule of
the department."

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.