



FISCAL NOTE

Senate Bill 298

Committee: Finance and Taxation Education Sponsor: Senator Andrew Jones

Analyst: Jennifer Farish

Date: 05/10/2023

Senate Bill 298 as introduced would authorize an income tax credit for qualified donations of donated property for the Sweet Trails Alabama Project, which could reduce income tax receipts to the Education Trust Fund (ETF) by up to \$10,000,000 annually beginning in January 1, 2025 for the 2025 tax year and ending December 31, 2030, unless extended by an act of the Legislature. This bill would increase the obligations of the Department of Revenue and the Council on Outdoor Recreation, as empowered by the Innovation Corporation, to implement a strictly Voluntary System by which eligible donors may apply for the tax credits of qualified donations of donated property.

Regarding the tax credits this bill provides that; (1) the amount of the tax credit shall be equal to 25% of the fair market value of the donated property, but shall not exceed \$250,000; (2) the total amount of the tax credit granted in any given tax year shall not exceed a taxpayer's income tax liability; and (3) any unused tax credits may be carried forward for up to five years.

Further, bill authorizes the Sweet Trails Project Fund to receive gifts, grants, and appropriations which any monies in the fund would be used for the implementation and operation of the Sweet Trails Project, which includes the provisions of grants to public and private entities engaged in the construction or operation of Greenway Trails pursuant to the provisions of this bill by the Council, as empowered by the Innovation Corporation.

Pursuant to the provisions of the ETF Rolling Reserve Act contained in Section 29-9-3(b)(3), Code of Alabama 1975, the provisions of this bill will reduce the ETF fiscal year appropriation cap for fiscal year 2025 by \$10 million.