



FISCAL NOTE

Senate Bill 86

Committee: Ways and Means Education

Sponsor: Senator Arthur Orr

Analyst: JT Mathis

Date: 05/19/2023

Senate Bill 86 as passed the Senate would increase the obligations of the Education Trust Fund by an estimated \$273 million for fiscal year 2023 by providing a one-time refundable income tax credit to certain qualified individual income taxpayers to partially offset the amount of sales tax paid on groceries in an amount equal to: (1) \$105 for taxpayers that are married filing separate, head of family, or single; or (2) \$210 for taxpayers that are married filing jointly. This bill would provide that this credit shall not constitute taxable income for Alabama income tax purposes.

Further, this bill would increase the obligations of the Department of Revenue by an estimated \$1.1 million in fiscal year 2023 to mail these tax credit checks to approximately 1.9 million taxpayers within 90 days of the effective date of this bill.