

FROM THE FLOOR

The latest news and updates from
D.C. to Montgomery and Mobile



End of Legislative Session Nears

The Legislature has returned from “legislative spring break” and began the final seven days of the session this week and only four legislative days remain.

A bill that would have negatively impacted economic development efforts did not receive approval from the Senate this week and is considered indefinitely suspended for this session. SB 303, by Sen. Arthur Orr, R-Decatur, would have repealed up to nine economic development incentives effective December 31, 2027, unless those incentives were extended by an act of the Legislature. These incentives included the Coal Production Tax Credit, Veterans Employment tax credit, Rural Physician tax credit, and the Irrigation Equipment tax credit, among others. This bill also would have put extension limitations on all tax incentives going forward. Additionally, SB 303 would have created new reporting requirements for any state agency that administers any economic tax incentive. This legislation, a replacement to the more aggressive SB 57, received approval from the Senate Finance and Taxation Education Committee on Tuesday but was not brought to the Senate floor for consideration.

The Senate passed HB 391, by Rep. Steve Clouse, R-Ozark, which would eliminate the business privilege tax. The bill, which already has passed the House, was approved by a vote of 30-0. The eventual elimination of the minimum business privilege tax would save small businesses in Alabama more than \$23 million a year beginning in 2024. The bill also reduces the minimum business privilege tax from \$100 to \$50 beginning December 31, 2022.

The General Fund Budget is sitting on Gov. Kay Ivey’s Desk awaiting signature or veto, while the Education Trust Fund Budget was passed by the Senate with unanimous approval and was sent back to the House for agreement or disagreement. Both the General Fund and Education Trust Fund Budgets are at historic highs of \$2.7 billion and \$8.2 billion, respectively.

Other legislative activities this week included:

- Both the House and Senate lottery bills are not likely to be considered for passage this legislative session. The two competing bills introduced by Rep. Chip Brown, R-Mobile, and Sen. Greg Albritton, R-Atmore, both included the creation of a state lottery, but the Senate bill would have authorized eight full casinos with slots and table games along with sports betting. This will not be the last session a lottery bill comes to the table, but for now, it looks like the House and Senate both lost their bets.
- HB 20 by Rep. Paul Lee, R-Dothan, which would provide for an extension of sales tax exemptions for certain military aircraft parts, was approved by a vote of 24-0 by the Senate. The bill now heads back to the House for concurrence or non-concurrence. The bill would extend from May 2022 until May 2032 the tax exemption on gross receipts from sales of parts, components, and systems that eventually become a part of a fixed or rotary-wing military aircraft.

BY THE NUMBERS

\$2.7 Billion

Record high General Fund budget awaiting Gov. Ivey’s signature

4

Number of legislative days remaining in the 2022 session

869

Number of bills introduced this session



Military Appreciation Lunch

May 10, 2022 | Noon to 1:30 p.m.

USS ALABAMA Battleship Memorial Park

Call 251-431-8606 for tickets or mobilechamber.com



Governmental Affairs Committee – Guest Speaker William Filmore

The next GAC meeting is scheduled for Monday, April 11 at Noon and will feature guest speaker William Filmore, the director of legislative affairs for Gov. Kay Ivey.

Space is limited, but a Zoom option will be available. Please email Carolyn Wilson at cwilson@mobilechamber.com to reserve your seat or to receive the Zoom link.