

1 HB276  
2 205017-1  
3 By Representative Lovvorn  
4 RFD: Ways and Means Education  
5 First Read: 18-FEB-20

SYNOPSIS:           This bill would establish an income tax credit for eligible taxpayers who incur costs for the construction, acquisition, or installation of a qualified storm shelter.

A BILL  
TO BE ENTITLED  
AN ACT

Relating to taxation; to provide an income tax credit for the construction, acquisition, or installation of a qualified storm shelter.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. (a) As used in this act, the following terms shall have the following meanings:

(1) MANUFACTURED HOME. Any structure built to the Manufactured Home Construction and Safety Standards that displays a red certification label on the exterior of each transportable section.

1           (2) PRIMARY RESIDENCE. Any manufactured home or  
2 single family residence building that is the legal residence  
3 of the taxpayer and is used for purposes of the taxpayer's  
4 income tax calculation.

5           (3) QUALIFIED STORM SHELTER. A storm shelter or safe  
6 room to which all of the following apply:

7           a. The design is capable of withstanding an EF5  
8 tornado.

9           b. The shelter or room is placed in service as an  
10 attachment to the taxpayer's primary residence, or on the same  
11 lot or parcel as the residence, and no other qualified storm  
12 shelter is attached to the residence or on the lot.

13           c. The shelter or room meets or exceeds the most  
14 recent Federal Emergency Management Agency minimum criteria  
15 for the design, construction, and operation of residential  
16 safe rooms.

17           d. The shelter or room is built on the site of the  
18 taxpayer's primary residence or is manufactured offsite and  
19 installed on the site of the taxpayer's primary residence.

20           (4) SINGLE FAMILY RESIDENCE BUILDING. A structure  
21 designed according to the International Residential Codes or  
22 its predecessor codes.

23           (b)(1) An Alabama income tax credit is established  
24 for eligible taxpayers who incur costs for the construction,  
25 acquisition, or installation of a qualified storm shelter in  
26 the state. Except as provided in subdivision (2), the tax  
27 credit shall equal three thousand dollars (\$3,000) or 50

1 percent of the total cost of the construction, acquisition,  
2 and installation of the qualified storm shelter, whichever is  
3 less.

4 (2) When a person incurs the cost to construct,  
5 acquire, or install a qualified storm shelter on a property  
6 owned by another person, the person shall be eligible for a  
7 tax credit equal to four thousand five hundred dollars  
8 (\$4,500) or 75 percent of the total cost of the construction,  
9 acquisition, and installation of the qualified storm shelter,  
10 whichever is less.

11 (3) The tax credit must be taken in the earliest tax  
12 year in which the shelter was placed into service.

13 (c) The tax credit issued under this act may not  
14 decrease a taxpayer's tax liability to less than zero. The tax  
15 credit is not refundable or transferable. The taxpayer  
16 applying for the tax credit shall apply for the tax credit for  
17 the year in which the storm shelter was acquired, constructed,  
18 or installed.

19 (d) The Department of Revenue shall grant the tax  
20 credit against the state income tax that is due by the  
21 taxpayer holding the tax credit certificate issued under  
22 subsection (f) in the amount stated on the tax credit  
23 certificate. The department may audit and reassess any credit  
24 improperly obtained by the taxpayer, in accordance with the  
25 Alabama Taxpayers' Bill of Rights and Uniform Revenue  
26 Procedures Act under Chapter 2A of Title 40, Code of Alabama  
27 1975.

1           (e) The tax credit authorized by this act is limited  
2 to an aggregate amount of two million dollars (\$2,000,000)  
3 annually.

4           (f) Prior to claiming the income tax credit  
5 authorized under subsection (b), the taxpayer shall apply for  
6 the certification of the credit with the Alabama Emergency  
7 Management Agency by providing the document reflecting the  
8 costs for construction, acquisition, or installation of the  
9 qualified storm shelter, along with the necessary documents to  
10 show that the storm shelter meets the qualifications of a  
11 qualified storm shelter as provided under this act. The  
12 Alabama Emergency Management Agency shall review the documents  
13 and provide certification to the taxpayers who meet the  
14 qualifications of the qualified storm shelter. The  
15 certifications shall also include the total qualifying cost of  
16 construction, acquisition, and installation of a qualified  
17 storm shelter. In the event the reservations of tax credits  
18 equal the total amount available for reservations during the  
19 tax year, all eligible taxpayers with applications then  
20 awaiting approval or thereafter submitted shall be notified by  
21 the Alabama Emergency Management Agency that no additional tax  
22 credits shall be granted during that tax year.

23           (g) The Alabama Emergency Management Agency shall  
24 prepare a report detailing the number of qualified storm  
25 shelters constructed, acquired, and installed and the amount  
26 of tax credits claimed under this act. The information on the  
27 report shall be consistent with the information required under

1       Section 40-1-50, Code of Alabama 1975, and rules adopted by  
2       the Department of Revenue. Information provided under this  
3       section is exempt from the confidentiality provisions of  
4       Section 40-2A-10, Code of Alabama 1975, and shall be provided  
5       by the Alabama Emergency Management Agency to the Legislature  
6       in accordance with Section 40-1-50, Code of Alabama 1975, and  
7       rules adopted by the Department of Revenue.

8               (h) The Alabama Emergency Management Agency may  
9       adopt rules to implement and administer this act.

10              (i) The tax credit allowed under this section shall  
11       be effective January 1, 2021, for the 2021 taxable year, and  
12       shall continue through the 2024 tax year, unless continued by  
13       an act of the Legislature.

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