

1 SB347
2 205100-1
3 By Senator Barfoot
4 RFD: Finance and Taxation Education
5 First Read: 05-MAY-20

SYNOPSIS: This bill would provide that the income of a member of the U.S. Armed Forces would not be subject to state income tax if the member of the Armed Forces is a legal resident of this state and the member of the Armed Forces is stationed for active duty purposes outside of this state during the tax year unless the member of the Armed Forces is physically present in this state for six months or more during the tax year.

A BILL
TO BE ENTITLED
AN ACT

Relating to income tax; to exempt a resident of this state who is a member of the U.S. Armed Forces and a legal resident of the state from income tax when the member of the Armed Forces is stationed outside of this state during the tax year unless the member of the Armed Forces was physically

1 present in this state for six months or more during the tax
2 year.

3 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

4 Section 1. Section 40-18-3 of the Code of Alabama
5 1975, is amended to read as follows:

6 "§40-18-3.

7 "The salaries, fees, commissions or other income of
8 officers or agents of the United States or its agencies and
9 instrumentalities or its contractees, received from the United
10 States or from its agencies and instrumentalities, shall be
11 subject to income taxes levied by the State of Alabama as
12 other income is taxed, but without discrimination, and only to
13 the same extent and in the same manner as other income is
14 taxed, insofar as the State of Alabama may be constitutionally
15 or legally authorized to tax such income; provided, that money
16 paid by the United States to a person as compensation for
17 active service as a member of the ~~armed forces~~ Armed Forces of
18 the United States in a combat zone designated by executive
19 order of the President of the United States shall not be
20 subject to income taxes levied by the State of Alabama for the
21 calendar year 1965 or any subsequent year and money paid by
22 the United States to a person who is a legal resident of this
23 state as compensation for active service as a member of the
24 Armed Forces of the United States when the member of the Armed
25 Forces was stationed outside of this state during the tax year
26 shall not be subject to income taxes levied by this state for
27 the calendar year 2020 or thereafter, unless the member of the

1 Armed Forces was physically present in this state for six
2 months or more during the calendar year."

3 Section 2. This act shall become effective
4 immediately following its passage and approval by the
5 Governor, or its otherwise becoming law.