



1 HB380

2 ZM94RRK-2

**ACT #2024 - 223**

3 By Representative Lovvorn

4 RFD: Ways and Means Education

5 First Read: 21-Mar-24





1 Enrolled, An Act,

2 Relating to income tax credits; to amend Section  
3 40-18-111, Code of Alabama 1975, to extend the existing tax  
4 credit on the construction, acquisition, or installation of a  
5 qualified storm shelter.

6 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

7 Section 1. Section 40-18-111, Code of Alabama 1975, is  
8 amended to read as follows:

9 "§40-18-111

10 (a) As used in this article, the following terms ~~shall~~  
11 have the following meanings:

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

16 (2) PRIMARY RESIDENCE. Any manufactured home or single  
17 family residence building that is the full-time legal  
18 residence of the taxpayer and is used for purposes of the  
19 taxpayer's income tax calculation.

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

22 a. The design is capable of withstanding an EF5  
23 tornado.

24 b. The shelter or room is placed in service as an  
25 attachment to the taxpayer's primary residence, or on the same  
26 lot or parcel as the primary residence, and no other qualified  
27 storm shelter is attached to the primary residence or on the  
28 lot.



29 c. The shelter or room meets or exceeds the most recent  
30 Federal Emergency Management Agency minimum criteria for the  
31 design, construction, and operation of residential safe rooms.

32 d. The shelter or room is built on the site of the  
33 taxpayer's primary residence or is manufactured offsite and  
34 installed on the site of the taxpayer's primary residence.

35 (4) SINGLE FAMILY RESIDENCE BUILDING. A structure  
36 designed according to the International Residential Codes or  
37 its predecessor codes.

38 (b) An Alabama income tax credit is established for  
39 eligible taxpayers who incur costs for the construction,  
40 acquisition, or installation of a qualified storm shelter at  
41 their primary residence in the state. The tax credit shall  
42 equal three thousand dollars (\$3,000) or 50 percent of the  
43 total cost of the construction, acquisition, and installation  
44 of the qualified storm shelter at the primary residence,  
45 whichever is less. The total costs for purposes of the tax  
46 credit calculation under this subsection shall exclude any  
47 costs reimbursed or expected to be reimbursed by any other  
48 entity including, but not limited to, insurance  
49 reimbursements, grants, or other government subsidies or  
50 incentives. The tax credit must be ~~taken~~applied for and  
51 claimed in the tax year in which the taxpayer was issued a tax  
52 credit certificate under subsection (f).

53 (c) The tax credit issued under this article may not  
54 decrease a taxpayer's tax liability to less than zero. If the  
55 tax liability of the taxpayer is less than the tax credit  
56 issued under this article, the taxpayer may only utilize the



57 amount of the credit that reduces the taxpayer liability to  
58 zero. The tax credit is not refundable nor transferable and  
59 may not be carried forward. A taxpayer applying for the tax  
60 credit shall only apply for the tax credit for the year in  
61 which the qualified storm shelter was acquired, constructed,  
62 or installed, regardless of the tax liability of the taxpayer.

63 (d) The Department of Revenue shall grant the tax  
64 credit against the state income tax that is due by the  
65 taxpayer holding the tax credit certificate issued under  
66 subsection (f) in the amount stated on the tax credit  
67 certificate, subject to the limitations of subsection (c). The  
68 department may audit and reassess any credit improperly  
69 obtained by the taxpayer, in accordance with the Alabama  
70 Taxpayers' Bill of Rights and Uniform Revenue Procedures Act  
71 under Chapter 2A.

72 (e) The tax credit authorized by this article is  
73 limited to an aggregate amount for all taxpayers of two  
74 million dollars (\$2,000,000) annually.

75 (f) Prior to claiming the income tax credit authorized  
76 under subsection (b), the taxpayer shall file an annual  
77 informational report in a manner prescribed by the Alabama  
78 Emergency Management Agency, which includes information  
79 reflecting the costs for construction, acquisition, or  
80 installation of the qualified storm shelter at the primary  
81 residence, along with additional information as required by  
82 the Alabama Emergency Management Agency. Following the receipt  
83 of all information required by this subsection, the Alabama  
84 Emergency Management Agency shall issue a tax credit



certificate to the taxpayer seeking the credit. Tax credit certificates shall be issued on a first come, first served basis until the annual cap provided by subsection (e) is met. In the event the reservations of tax credits equal the total amount available for reservations during the tax year, all eligible taxpayers with applications then awaiting approval or thereafter submitted shall be notified in a manner as prescribed by the Alabama Emergency Management Agency that no additional tax credits shall be granted during that tax year and, notwithstanding ~~subsection (b)~~ any provision of this section to the contrary, shall be allowed to seek a tax credit certificate in the next tax year, subject to the limitations of subsection (c).

(g) The Alabama Emergency Management Agency shall prepare a report detailing the number of qualified storm shelters constructed, acquired, and installed and the amount of tax credits claimed under this article. The information on the report shall be consistent with the information required under Section 40-1-50 and rules adopted by the Department of Revenue. Information provided under this section is exempt from the confidentiality provisions of Section 40-2A-10 and shall be provided by the Alabama Emergency Management Agency to the Legislature in accordance with Section 40-1-50 and rules adopted by the Department of Revenue.

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

(i) The tax credit allowed under this section shall be effective January 1, 2022, for the 2022 tax year, and shall

HB380 Enrolled



113 continue through the ~~2025~~2028 tax year, unless continued by  
114 an act of the Legislature."

115 Section 2. This act shall become effective on October  
116 1, 2024.



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Speaker of the House of Representatives

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in and  
was passed by the House 09-Apr-24.

John Treadwell  
Clerk

Senate

30-Apr-24

Passed

APPROVED

5-6-2024

TIME

1240 pm

GOVERNOR

Alabama Secretary Of State

Act Num.....: 2024-223  
Bill Num....: H-380

Recv'd 05/06/24 03:59pm KCW

ORIGINAL

House Bill No. 2024 BRK-1

Project No. 2024 BRK-1

Profile Date 2024

SPONSOR 11 DUNN DIST. NO. 1

HOUSE ACTION

SENATE ACTION

17E

CO-SPONSORS

DATE: 3-21 2024  
RD 1 RFD WAVE

DATE: 4-1 2024  
RD 1 RFD 13

REPORT OF STANDING COMMITTEE

This bill having been referred by the House to its standing committee on Waves Education was acted upon by such committee in session, and returned therefrom to the House with the recommendation that it be Passed, w/amend(s) 0 w/sub 0 this 4th day of April 2024  
Anthony Smith Chair

DATE: 4-4 2024  
RD 2 CAL

DATE: 20  
RE-REFERRED ☐ RE-COMMITTED ☐  
Committee

DATE: 20  
RE-REFERRED ☐ RE-COMMITTED ☐  
Committee

I hereby certify that the Resolution as required in Section C of Act No. 81-889 was adopted and is attached to the Bill.  
HB 380  
YEAS 100 NAYS 0

JOHN TREADWELL,  
Clerk

FURTHER HOUSE ACTION (OVER)

This Bill was referred to the Standing Committee of the Senate on WAVE and was acted upon by such Committee in session, and is by order of the Committee returned therefrom with a favorable report w/amd(s) 0 w/sub 0 w/eng sub 0 by a vote of 14 yeas 0 nays 0 abstain 0 this 6th day of April 2024  
Patrick Harris Chair

DATE: 4-25 2024  
RD 2 CAL

I hereby certify that the Resolution as required in Section C of Act No. 81-889 was adopted and is attached to the Bill.  
HB 380  
YEAS 35 NAYS 0

PATRICK HARRIS,  
Secretary

DATE: 4-30 24 RD 3 at length  
PASSED ☐ PASSED AS AMENDED ☐

YEAS 35 NAYS 0  
And was ordered returned forthwith to the House  
PATRICK HARRIS,  
Secretary

DATE: 20  
INDEFINITELY POSTPONED YEAS NAYS

DATE: 20  
RECONSIDERED YEAS NAYS

FURTHER SENATE ACTION (OVER)