

How will HB 479 benefit every Alabamian?

What makes a grocery tax reform bill good for Alabamians:

<input type="checkbox"/> Provides a tax cut for families with low incomes across Alabama (<i>not just wealthy households</i>).	<input type="checkbox"/> Protects education revenue to ensure our children's classrooms are adequately funded in the years to come.	<input type="checkbox"/> Is broad enough to have a meaningful and long-lasting impact.	<input type="checkbox"/> Provides an immediate grocery tax reduction.
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What Rep. Danny Garrett's HB 479 does:

<input checked="" type="checkbox"/> Provides a tax cut for all Alabamians, cutting the current 4-cent state grocery tax in half as soon as September 2024.	<input checked="" type="checkbox"/> Limits detrimental impacts to the Education Trust Fund (ETF) by making this tax cut contingent on projected growth to the ETF.	<input checked="" type="checkbox"/> Is a broad, long-term tax cut on a wide range of foods, not just a limited subset.	<input checked="" type="checkbox"/> Provides an immediate grocery tax reduction beginning Sept. 1, 2023.
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What we need next:

1. A complete elimination of the state grocery tax, rather than just part of it.
2. An active replacement of grocery tax revenue in the Education Trust Fund budget, such as elimination of [the state deduction for federal income taxes \(FIT\)](#) and other reforms of Alabama's upside-down tax system.

Why is HB 479 a good plan to untax groceries?

1. **It provides a tax cut on groceries for families with low incomes across Alabama (not just wealthy households).**
 - The sales tax on groceries is a cruel tax on survival, driving struggling Alabamians deeper into poverty. The 4-cent state grocery tax costs a family of four about \$600 a year, based on estimates using the moderate-cost food plan from the USDA's cost of food at home reports.
 - This law will reduce Alabama's 4-cent state sales tax on groceries to 2 cents in two steps. The cut will be 1 cent in 2023 and another 1 cent in 2024, assuming that projected ETF revenues grow by at least 3.5%. If they don't, the reduction will occur in the first year when revenue growth does meet this threshold. This reduction will be an important step toward eliminating this regressive tax that makes it harder for families to make ends meet.
 - *What's missing? An ideal grocery tax proposal would eliminate the state's entire 4-cent grocery tax, rather than just half of it. This is a cause for which Alabama Arise will continue to advocate.*

2. **It protects education revenue to ensure our children's classrooms are adequately funded in the years to come.**
 - Lawmakers should ensure proposals to untax groceries protect funding for public schools while making life better for struggling families across our state.
 - The law specifies that the second half of the tax cut will occur on Sept. 1, 2024, if projected growth in total net ETF receipts for 2025 is at least 3.5%. If not, the cut will occur in the first year afterward when receipts do grow by that amount.
 - *What's missing? Alabama ultimately needs a concrete replacement for grocery tax revenues in the ETF budget to ensure we are good stewards of our children's school funding.*
 - *Phasing out the federal income tax (FIT) deduction, a tax loophole that overwhelmingly benefits the richest 10% of Alabamians, would allow the state to eliminate the entire state grocery tax sustainably. This policy solution also would protect hundreds of millions of dollars' worth of education funding each year.*

3. **It is broad enough to have a meaningful and long-lasting impact**
 - This tax cut applies broadly to eligible foods under the Supplemental Nutrition Assistance Program (SNAP), rather than only foods eligible under the Women, Infants and Children (WIC) program. The SNAP definition covers more food items and will make implementation clear. This is a long-term solution, not a one-time or temporary fix.

4. **It provides an immediate grocery tax reduction.**
 - Beginning Sept. 1, 2023, the state grocery tax will fall to 3 cents. This 1-cent reduction could provide a family of four with an immediate annual tax cut of about \$150.
 - As prices continue to rise on many of the essentials that folks need to survive, every dollar helps families across Alabama who are struggling *now* to make ends meet.