

How would HB 479 / SB 257 benefit every Alabamian?

What makes a grocery tax reform bill good for Alabamians:

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| <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 the Jones bill does:

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| <input checked="" type="checkbox"/> <i>Provides a tax cut for all Alabamians, cutting the current 4-cent tax in half over the span of four years.</i> | <input checked="" type="checkbox"/> <i>Limits detrimental impacts to the Education Trust Fund (ETF) by making this tax cut contingent on growth to the ETF.</i> | <input checked="" type="checkbox"/> <i>Is a broad, long-term tax cut on a wide range of foods, not just a limited subset.</i> | <input checked="" type="checkbox"/> <i>Provides an immediate grocery tax reduction beginning Sept. 1, 2023.</i> |
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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 / SB 257 a good plan to untax groceries?

1. **It would provide 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 state sales tax on groceries costs the average Alabama family approximately \$600 a year.
 - This bill would reduce Alabama's 4-cent state sales tax on groceries to 2 cents over a multiyear period. The cut would be 1/2 cent per year and ultimately would give the average Alabama family an annual tax cut of about \$300. This reduction would 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 a fraction of it. This is a cause for which we will continue to advocate.*

2. **It would protect 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 bill specifies that the tax cut would occur only if the growth in total net receipts to the ETF in the immediately preceding fiscal year was at least 2% more than the prior fiscal year.
 - **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 would be broad enough to have a meaningful and long-lasting impact**
 - This tax cut would apply 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 would make implementation clear. This is a long-term solution, not a one-time or temporary fix.

4. **It would provide an immediate grocery tax reduction.**
 - Beginning Sept. 1, 2023, the state grocery tax would be reduced to 3.5 cents. Though the immediate reduction is small, this 0.5-cent reduction would provide the average Alabama family an immediate \$75 annual tax cut.
 - 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.