Senator to File Bill to Remove Food Tax

BOB JOHNSON, Associated Press

MONTGOMERY, Ala. (AP) — A Republican state senator said Tuesday he plans to introduce a bill in the Alabama Legislature that would over a four-year period end the 4 percent state sales tax on groceries while raising the sales tax on most other items.

Democrats have long pushed a bill that would take the sales tax off groceries while paying for it by removing the exemption Alabama residents get on their state income taxes for federal income taxes paid. Republicans have fought that plan, claiming it would hurt wealthy and middle income taxpayers. Republicans, who now have a majority in the House and Senate, also say it would hurt small business owners and block efforts to create new jobs.

Alabama is one of the few states in the county that continues to charge the full sales tax on groceries.

Sen. Gerald Dial of Lineville said at a news conference Tuesday that he hopes his bill would receive support from both parties. He said it's important that any effort to remove the sales tax on groceries also include a mechanism to make up for lost income since revenue from sales tax goes to fund education.

Dial said the bill would be introduced when the regular session begins in February.

"It will show that us Republicans care and can be passionate," Dial said.

The bill would phase in removal of the 4 percent sales tax on groceries over four years while over the same period raising the tax on non-grocery items from 4 percent to 5 percent. Dial said he believes the amount of revenue lost from removing the tax on groceries would be about the same as what would be gained from raising the sales tax on non-food items.

Rep. DuWayne Bridges, R-Valley, has introduced a bill in past sessions that would give some low income residents a voucher to help pay for the sales tax on groceries.

Bridges said Tuesday he has studied Dial's bill and can't support it. He said he believes the revenues generated would "far exceed what we would take away" by removing the tax from food.

Bridges said he agreed with Dial that something needs to be done about the sales tax on groceries, but he disagreed with Dial's solution, which he called a "tax increase."

"We need jobs, not tax increases," Bridges said.

The prime advocate in the Legislature for removing the sales tax on food has been Democratic Rep. John Knight of Montgomery. Knight said Tuesday he plans to pre-file for the regular session which begins in February the bill to remove the tax of groceries in exchange for eliminating the federal income tax deduction.

Knight said he has not talked to Dial about his suggested bill, but "to increase the sales tax on other things does not make any sense to me."

"People have other things they need to buy besides just groceries," Knight said.

But Dial said he believes his bill would get the sales tax off food, which he believes is wrong.

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