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Bill to End Grocery Tax Moving in Ala. Legislature

By THE ASSOCIATED PRESS

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MONTGOMERY, Ala. (AP) -- A Montgomery legislator and a group representing Alabama's poor have no expiration date on their efforts to remove the state sales tax from groceries. They are trying for the 12th year.

The House Education Appropriations Committee used a voice vote Wednesday to approve a sales tax bill by Rep. John Knight, D-Montgomery. Knight's bill would make up the lost sales tax revenue by raising the income taxes paid by the wealthiest 4 percent of Alabamians. The income tax hike doesn't fly with many Republicans.

"The whole bill is a redistribution of wealth. Washington is doing such a good job of that I don't know that we need to get involved with that," Rep. Mac Gipson, R-Prattville, said.

Knight said he would prefer to call his bill "a redistribution of fairness."

The committee's vote was largely along party lines, with Knight's fellow Democrats supporting it and most Republicans opposing it. Knight's bill now goes to the House, where he hopes to see it debated April 8.

"It's going to be a tough vote once again, like it always has been," Knight said.

Knight and Alabama Arise began trying to remove the sales tax on food in 1999. Each year Knight's bill has failed in either the House or Senate. Last year, the House gave Knight's grocery tax bill its annual coffin-shaped Shroud Award for having the deadest bill of the year.

Kimble Forrister, executive director of Alabama Arise, said time is short in this year's legislative session, but he hopes the bill will succeed because it would offer tax relief to most Alabama families when the state is struggling with its highest unemployment rate in 26 years.

If passed by the Legislature, Knight's bill would not take effect unless approved by Alabama voters in the general election Nov. 2.

It would remove the state's 4 percent sales tax on all groceries, including candy and soft drinks. Knight included candy and soft drinks to mirror the items covered by food stamps.

To replace the \$405 million annual tax loss, his bill would stop higher-income Alabamians from using a state income tax deduction for federal income taxes paid. There would no longer be a deduction for individuals with adjusted gross incomes over \$150,000 and couples over \$300,000.

"This bill is paid for," Forrister said.

But the way it is paid for is what concerns many Republicans.