



Alabama House budget plan would add \$173 million to General Fund

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Rep. Steve Clouse,
R-Ozark

The Alabama House of Representatives will consider a plan to add about \$173 million for the General Fund, a little more than **half of what Gov. Robert Bentley is seeking.**

Rep. Steve Clouse, R-Ozark, the budget chairman, outlined the plan today as the special session resumed after a three-week recess.

It would raise the tax on cigarettes, the business privilege tax and take about \$50 million from the education budget.

The proposals were included in Bentley's proclamation on the special session, but are not as extensive.

Bentley has called for \$302 million in new revenue.

"We're just trying to come with some things that we feel like have a chance of passing," Clouse said.

Clouse said his proposed budget would allow level funding for some major state programs, including Medicaid, Mental Health, Public Health, DHR, courts and prisons.

It would include \$16 million to start prison reforms intended to reduce prison overcrowding.

Other agencies would generally see a reduction of 5.5 percent in their state funding, Clouse said.

The state Constitution requires tax increase bills to originate in the House.

The House Ways and Means General Fund Committee, which Clouse chairs, will consider the budget bills Tuesday. That could put them in line for a vote for the House on Wednesday.

"I don't know if we've got the votes or not," Clouse said.

The special session ends Aug. 11.

If legislators fail to pass a budget, or if Bentley does not approve what they pass, they will have to return for another special session. The budget year starts Oct. 1.

Clouse's plan would move use tax revenue from the Education Trust Fund to the General Fund, a shift of about \$225 million.

Some programs would also move from the ETF to the General Fund. After those spending obligations, the net gain for the General Fund would be about \$50 million, Clouse said.

The plan calls for an increase of 25 cents a pack on cigarettes, which would raise the tax to 67.5 cents. Clouse said Alabama's cigarette tax is the third lowest in the nation.

The cigarette tax increase would generate an estimated \$66 million a year.

The bill would not raise taxes on cigars, smokeless tobacco or vapor cigarettes, as Bentley had proposed.

Another bill would increase the maximum business privilege tax, while exempting smaller businesses from paying the \$100 minimum. The governor's office has said the proposal would raise \$38 million a year.

During the regular session, the Legislature passed a budget that would have spent \$1.6 billion from the General Fund, \$200 million less than this year.

Bentley vetoed that plan, calling it unworkable.

The governor proposed a budget for the special session that would spend \$1.9 billion from the General Fund.

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