

untax groceries 2010

HB 1 – New and Improved!

This year's grocery tax bill will help families make ends meet without costing our schools a penny. The bill will remove the state portion – 4 percent – of the sales tax on groceries *and* over-the-counter medicines. It will protect these savings by preventing local governments from raising taxes on these items alone. And to protect funding for schools, the bill will replace the lost revenue by capping a huge income tax deduction for the highest earners.

More than 96 percent of Alabamians will pay less in taxes. Only the top 4 percent – couples earning above \$200,000 a year and singles above \$100,000 – will pay more.

Alabama and Mississippi are the only states that still offer no sales tax break on groceries. Our 4 percent state grocery tax makes it that much harder for many families to get by. HB 1 will give Alabamians \$405 million more to spend on Main Street, helping stores and restaurants get back on their feet in a tough economy.

House Bill 1 will help families make ends meet.

It will pump \$405 million into the retail economy.

And it won't cost our schools a cent.