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## Tax Holiday

Qualifying items would not be subject to the state sales and use tax during the adventure awaits sales tax holiday. As with all Alabama tax-free weekends, local jurisdictions may choose to participate — or not.

Mar. 08, 2024



By [Gail Cole](#).

There are currently two annual sales tax holidays in Alabama: A severe weather preparedness tax-free weekend in February and a back-to-school tax-free weekend in July. A new tax holiday will join them starting in 2025 should House Bill 257 become law: The twice-yearly Alabama Adventure Awaits sales tax holiday.

What items would qualify for the Alabama Adventure Awaits sales tax holiday?

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- Boating and water activity supplies – which shall include life preservers and vests
  - Goggles, snorkels, and swimming masks priced \$25 or less
  - Recreational pool tubes, pool floats, pool toys, and inflatable chairs priced \$35 or less
  - Safety flares priced \$50 or less
  - Oars and paddles priced \$75 or less
  - Coolers priced \$150 or less
  - Knee boards, wakeboards, water skis, and recreational inflatable water floats or tubes capable of being towed priced \$150 or less
  - Paddleboards and surfboards priced \$300 or less
  - Canoes, kayaks, and pirogues priced \$500 or less
  - Powered watercraft priced \$300,000 or less
- Camping supplies
  - Camping stoves, collapsible camping chairs, portable hammocks, and sleeping bags priced \$50 or less
  - Camping lanterns and flashlights priced \$60 or less
  - Tents priced \$200 or less
- Fishing supplies purchased for personal use
  - Bait or fishing tackle priced \$10 or less if sold individually or \$20 or less if multiple items are sold together
  - Tackle bags or boxes priced \$30 or less
  - Rods and reels priced \$100 or less if sold individually or \$200 or less if sold as a set
- General outdoor supplies
  - Insect repellent, sunblock, and sunscreen priced \$15 or less
  - Bicycle helmets priced \$50 or less
  - Hydration packs priced \$50 or less
  - Reusable water bottles priced \$60 or less
  - Sunglasses priced \$100 or less

- Binoculars priced \$200 or less

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The Alabama Department of Revenue would be tasked with adjusting the dollar amounts by the percentage increase in the Consumer Price Index for all urban consumers as published by the U.S Department of Labor, Bureau of Labor Statistics, for the yearly periods of December 2024 to December 2028.

## **Uphold the Second Amendment**

The new sales tax holiday would also affirm the “state’s commitment to the Second Amendment” by temporarily exempting a host of gun safes, gun safety devices, and hunting supplies, with no price restrictions. Qualifying items include:

- Gun safes
- Gun safety devices
- Hunting supplies, including but not limited to the following:
  - Ammunition
  - Animal feed (but not animals used for hunting)
  - Archery equipment
  - Blinds, decoys, and tree stands
  - Firearms
  - Firearm and archery accessories and cases
  - Hearing enhancement and protection
  - Holsters
  - Hunting apparel, belts, and shoes
  - Knives
  - Off-road vehicles such as all-terrain vehicles (ATVs)
  - Optics
  - Range finders
  - Slings
  - Tools

## When would the sales tax holiday occur?

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cease at the end of 2027.

## Would the new tax-free weekend apply to state and local sales tax?

Qualifying items would not be subject to the state sales and use tax during the adventure awaits sales tax holiday. As with all Alabama tax-free weekends, local jurisdictions may choose to participate — or not.

To participate in the holiday and exempt eligible items from applicable local sales and use taxes, a county or municipality must adopt a resolution or ordinance to that effect at least 90 days prior to the start of the sales tax holiday.

## Would HB 257 change the existing Alabama tax-free weekends?

HB 257 would make slight adjustments to Alabama's back-to-school and disaster preparedness tax-free weekends.

The 90-day notice described above would also apply to Alabama's back-to-school and disaster preparedness tax-free weekends if HB 257 is enacted. Currently, local governments need to give no more than 30 days' notice in advance of a sales tax holiday.

Moreover, for calendar year 2025 and every five years thereafter, the Alabama Department of Revenue would be required to adjust the price caps of the back-to-school and disaster preparedness tax-free weekends by the percentage increase in the Consumer Price Index.

## The fate of the new sales tax holiday hinges on the simplified sellers use tax rate

The last section of [HB 257](#) states, "This act shall become effective on October 1, 2024, only upon the enactment of House Bill \_\_\_ of the 2024 Regular Session, regarding the simplified sellers use tax." This could be referencing [House Bill 17](#), which would

increase the rate of the simplified sellers use tax from the current 8% to 9.25%

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