

# BALDWIN COUNTY EMERGENCY MANAGEMENT AGENCY



## TAX CREDITS FOR STORM SHELTERS

- Eligible taxpayers who incur costs for the construction, acquisition, or installation of a qualified storm shelter at their primary residence in the state of Alabama will be eligible for an income tax credit for the storm shelter.
- The tax credit will equal three thousand dollars (\$3,000) or 50 percent of the total cost of the construction, acquisition, and installation of the qualified storm shelter at the primary residence or whichever is less.
- The total costs for qualification of the tax credit will exclude any costs reimbursed or expected to be reimbursed by any other reimbursements, grants, or other government subsidies or incentives.
- The statewide tax credit is limited to a collective amount for all taxpayers of two million dollars (\$2,000,000) annually.
- The taxpayer will file an annual informational report in a manner given by the Alabama Emergency Management Agency, which includes information reflecting the costs for construction, acquisition, or installation of the qualified storm shelter at the primary residence, along with additional information as required by the Alabama Emergency Management Agency.
- Alabama Emergency Management Agency will issue a tax credit certificate to the taxpayer seeking the credit.
- Tax credit certificates will be first-come, first-served until the annual cap is met.
- After reaching the annual cap, all eligible taxpayers with applications awaiting approval or submitted will be notified, by AEMA, that there will be no additional tax credits approvals during that tax year. The taxpayers will be allowed to seek a tax credit certificate in the next tax year, subject to the limitations of the annual cap.
- The tax credit may not decrease a taxpayer's tax liability to less than zero.
- If the tax liability of the taxpayer is less than the tax credit issued, the taxpayer may only utilize the amount of the credit that reduces the taxpayer liability to zero.
- The tax credits allowed will be effective January 1, 2022, for the 2022 tax year and will continue through the 2025 tax year unless continued by an act of the Legislature.
- For general questions, please contact the Alabama Emergency Management Agency (205- 280-2200) and the Alabama Department of Revenue for State Income Tax questions (205-280-2200)
- Further information will be available once administrative details are complete.