



HOUSE OF REPRESENTATIVES

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FOR IMMEDIATE RELEASE

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STATE REP. MIKE HOLMES PRE-FILES BILL TO ABOLISH STATE INCOME AND SALES TAXES AND REPLACE WITH "FAIR TAX" ON GOODS AND SERVICES

State Rep. Mike Holmes (R - Wetumpka) on Monday announced he has once again pre-filed legislation that would eliminate Alabama's traditional income tax and sales tax system and replace it with a system of taxation based on consumption.

"For too long, Alabamians have been burdened by a tax system that picks winners and losers in a never-ending maze of tax exemptions, deductions, and credits," Holmes said. "A system that is fair treats everyone identically by taxing them at the same rate when buying new goods or purchasing services."

Holmes's bill, known as the "Alabama Economic Freedom Act," would repeal current state income and state, county, and municipal sales tax levies and, instead, replacing all with a simple 8.03% tax rate on every purchase of new products and services. The tax would be collected by merchants at the point of sale.

Under the provisions of the legislation, legal Alabama citizens would be eligible for a monthly rebate to offset the tax on spending, a feature that would prove especially beneficial to families and individuals living at or below the federal poverty level.

The new system would render the Income Tax Division of the Alabama Department of Revenue obsolete while stripping the state government's ability to dig deeper into the personal pocketbooks of Alabamians. The Sales Tax Division would be redirected to collect the consumption tax.

"The Alabama Economic Freedom Act is a simple plan that people can understand, get excited about, and support 100%," Holmes said. "It removes the heavy hand of government from your wallet and puts each individual in charge of their finances and life."

The legislation is based upon H.R.25, the Congressional Fair Tax Act of 2019, which was researched, developed and defined with over \$22 million in private funding to ensure a bipartisan bill.

More information on Holmes's proposal is available by visiting www.alfairtax.org on the Internet, viewing the [Alabama State Fair Tax Facebook Page](#) contacting Rep. Mike Holmes at (334) 224-1347 or Chuck Bailey at (256) 479-4350.

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