

40-9-1. Ad valorem taxes.

The following property and persons shall be exempt from ad valorem taxation and none other:

(1) all bonds of the United States and this state and all county and municipal bonds issued by counties and municipalities in this state, all property, real and personal, of the United States and this state and of county and municipal corporations in this state; all cemeteries, all property, real and personal, used exclusively for religious worship, for schools or for purposes purely charitable; provided, that property, real or personal, owned by any educational, religious or charitable institution, society or corporation let for rent or hire or for use for business purposes shall not be exempt from taxation, notwithstanding that the income from such property shall be used exclusively for education, religious or charitable purposes; all mortgages, together with the notes, debts and credits secured thereby on real and personal property situated in this state, which mortgages have been filed for record and the privilege tax paid thereon; all security agreements and security interests under the Uniform Commercial Code, together with the notes, debts and credits secured thereby; all money on deposit in any bank or banking institution and all other solvent credits; all warrants issued by county boards of education and city boards of education for the purpose of erecting, repairing, furnishing school buildings or for other school purposes;

(2) All property, real or personal, used exclusively for hospital purposes, to the amount of \$75,000, where such hospitals maintain wards for charity patients or give treatment to such patients; provided, that the treatment of charity patients constitutes at least 15 percent of the business of such hospitals; provided further, that such hospital need not be assessed for taxation if the owner or manager shall file with the county tax assessor wherein such hospital is located within the time allowed for assessing such property for taxation a certificate that such hospital has done 15 percent charity work in the preceding tax year; and further provided, that such hospital through its owner or manager shall have until the expiration of the preceding tax year to class its work and ascertain whether or not such hospital has done 15 percent of its treatment of patients as charity work;

(3) The shares of the capital stock of any corporation owning and operating a hospital, to the extent of \$75,000 in value; provided, that said corporation maintains wards for charity patients and gives treatment to such patients, which treatment constitutes at least 15 percent of the business of the hospital of said corporation; provided, that the total exemption granted to any such corporation shall not exceed \$75,000, taking into consideration its real and personal property and the value of its shares of capital stock;

(4) All property owned by the American Legion or by Veterans of Foreign Wars or by the Disabled American Veterans, or any post thereof; provided, that such property is used and occupied exclusively by said organization;

(5) All the property of literary and scientific institutions and literary societies, when employed or used in the regular business of such institutions;

(6) The libraries of ministers of the gospel, all libraries other than those of a professional character and all religious books kept for sale by ministers of the gospel and colporteurs;

(7) The property of deaf mutes and insane persons to the extent of \$3,000 and the property of blind persons to the extent of \$12,000;

(8) All family portraits;

(9) All cotton, livestock or agricultural products which have been raised or grown in the State of Alabama and which shall remain in the hands of the producer thereof, or his landlord, or in the hands of a cooperative association for all time, and for a period of one year in the hands of the purchaser or the manufacturer;

(10) All cotton, wherever grown, stored in licensed warehouses in the State of Alabama for a period not exceeding 12 months;

(11) Provisions and supplies on hand for the current year for the use of the family and the making of crops; all wearing apparel; farming tools; tools and implements of mechanics to the value of \$200; all livestock, including mules, studs, jacks and jennets, cattle, horses, cows, calves, hogs, sheep and goats; household and kitchen furniture and one sewing machine;

(12) No license or taxation of any character, except franchise taxes provided by Section 229 of the Constitution of the State of Alabama, shall be collected or required to be paid to the state or any county or municipality therein by any state or county fair, agricultural association, stock, kennel or poultry show. Athletic stadiums owned and controlled by universities, schools or colleges and which are used exclusively for the purpose of promoting intercollegiate or interschool athletics; provided, that the revenue received from athletic stadiums, when admission is charged, shall be used for the benefit of athletic associations of such universities, colleges or schools. Nothing contained in this subdivision shall be construed to prohibit any municipality, county or state from imposing any license tax upon or for the privilege of engaging in the business of supplying services for hire or reward or selling commodities other than livestock, farm products or farm implements or conducting or operating devices or games of skill or amusements or other games or devices, or conducting or operating shows, displays or exhibits other than shows, displays or exhibits of agricultural implements, farm products, livestock and athletic prowess;

(13) All material, including without limitation coke, to be compounded or further manufactured, when stocked at any plant or furnace for manufacturing purposes in Alabama;

(14) All articles manufactured in Alabama, including pig iron, in the hands of the producer or manufacturer thereof, for 12 months after its production or manufacture;

(15) All property, both real and personal, owned by any unit or organization of the Alabama National Guard officially recognized as such by the federal government and organized and maintained by the state, and all property owned by shares and used exclusively by and kept exclusively in the possession of any such unit or organization of the Alabama National Guard, the annual rent or hire of which is not in excess of the annual state, county and municipal taxes on said property shall be exempt from taxation by the state, and the county and municipality in which the same may be situated;

(16) All poultry;

(17) The property of all incompetent veterans to the value of \$3,000;

(18) The following items of personal property when owned by individuals for personal use in the home or usually kept at the home of the owner and not carried as stocks of merchandise, namely: libraries; phonographs; pianos and other musical instruments; paintings; precious stones, jewelry, plate silverware, ornaments and articles of taste; watches and clocks; wagons, buggies, bicycles, guns, pistols, canes, golf sticks, golf bags and sporting goods; money hoarded; radios; mechanical and electrical refrigerators; electrical appliances;

(19) All property owned by the Benevolent and Protective Order of Elks, Fraternal Order of Police, Fraternal Order of Eagles or Loyal Order of Moose, or lodge thereof; provided, that such property is used and occupied exclusively by such organization;

(20) All devices, facilities or structures, and all identifiable components thereof or materials for use therein, acquired or constructed primarily for the control, reduction or elimination of air or water pollution;

(21) Tobacco leaf stored in hogsheads;

(22) All farm tractors, as that term is defined in subdivision (19) of Section 32-1-1.1<S>; and all farming implements, as that term is used in subdivision (b)(5) of Section 40-11-1<S>, as amended, when used exclusively in connection with agricultural property as defined in subdivision (b)(3) of Section 40-8-1<S>, as amended;

(23) All stocks of goods, wares and merchandise described in subdivision (b)(4) of Section 40-11-1<S>, as amended; and

(24) All aircraft, replacement parts, components, systems, supplies and sundries affixed or used on said aircraft, and ground support equipment and vehicles used by or

for the aircraft, when used by a certificated or licensed air carrier with a hub operation within this state, for use in conducting intrastate, interstate or foreign commerce for transporting people or property by air. For the purpose of this subdivision, the words "hub operation within this state" shall be construed to have all of the following criteria:

- a. There originates from the location 15 or more flight departures and five or more different first-stop destinations five days per week for six or more months during the calendar year; and
- b. Passengers and/or property are regularly exchanged at the location between flights of the same or a different certificated or licensed air carrier.

(25) All property described in Title 12 U.S.C. ' 1701(Q), commonly known as HUD 202 property, is hereby exempt from any and all ad valorem taxes.

(26) All vessels and equipment thereon, used predominantly in the business of commercial shrimping by the owners thereof.

History: Acts 1978, No. 78-672; Acts 1978, 2nd Ex. Sess., No. 78-47; Acts 1986, No. 86-214; Acts 1989, Nos. 89-830, 89-914; Acts 1990, No. 90-533.