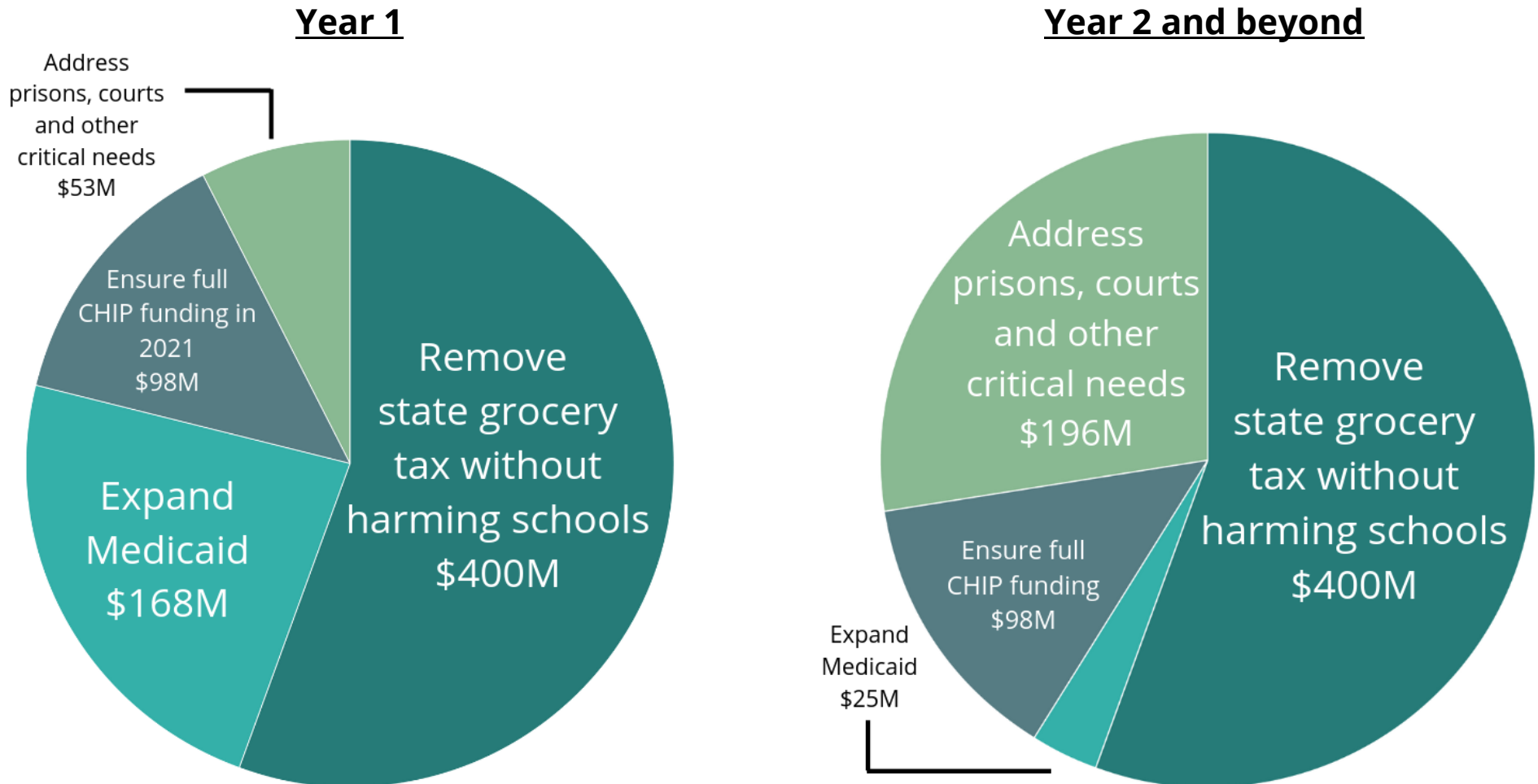


Alabama can untax groceries, address prison crisis, expand Medicaid by removing the FIT deduction

Ending the state deduction for federal income taxes (FIT) would bring in \$719 million a year to meet vital needs

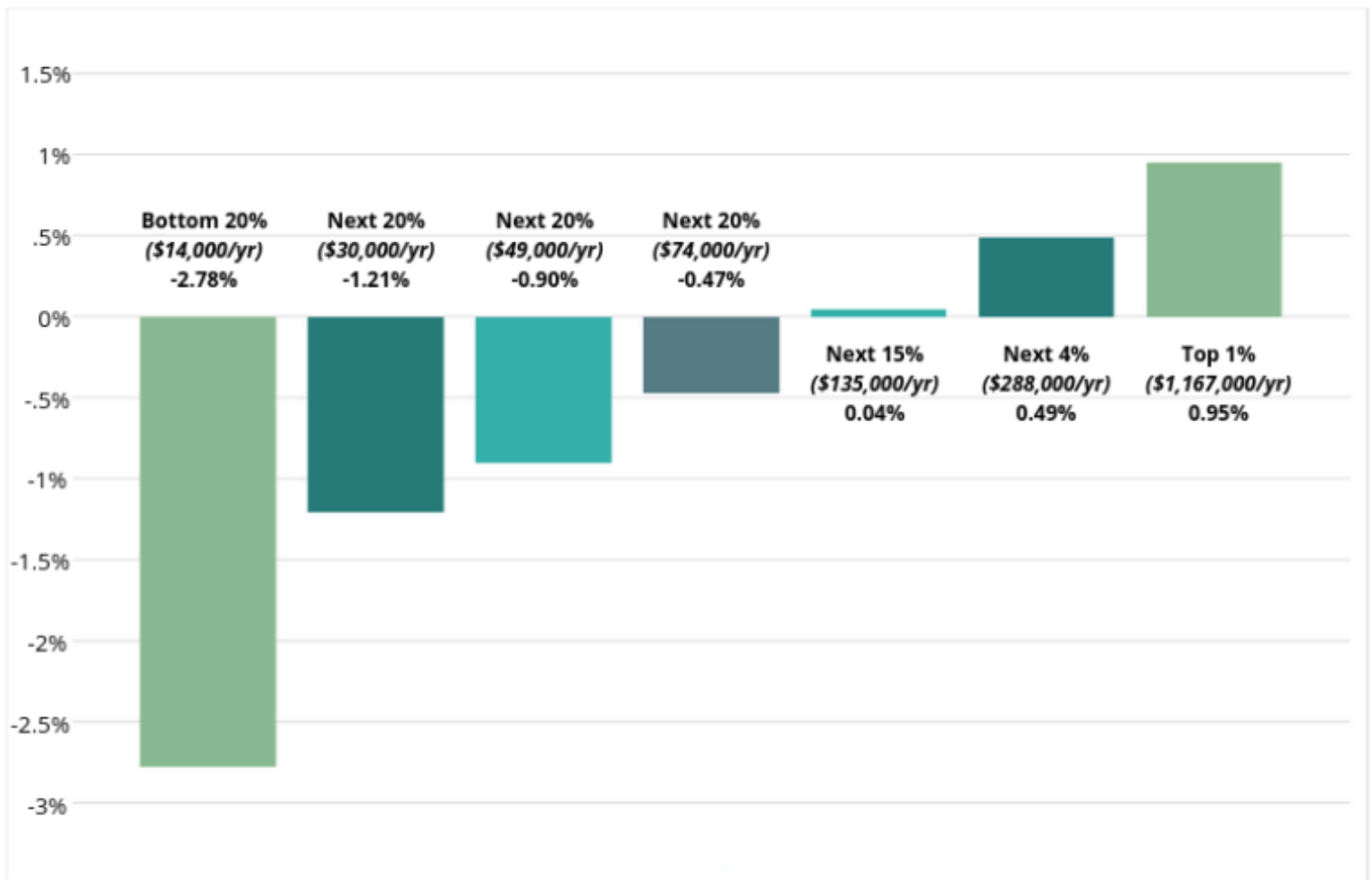


Note: This plan would require a constitutional amendment.

Sources: Institute on Taxation and Economic Policy, March 2019; David J. Becker, "Medicaid Expansion in Alabama: Revisiting the Economic Case for Expansion," January 2019; Alabama Department of Public Health; Alabama Arise estimates

Most Alabamians would get a tax cut from untaxing groceries and ending the FIT deduction

Estimated net tax change as a share of income if Alabama eliminated its federal income tax (FIT) deduction and state sales tax on groceries



Sources: Institute on Taxation and Economic Policy, March 2019; Alabama Arise calculations based on USDA Cost of Food at Home Report, February 2019. Grocery tax savings are based on USDA food costs for a family of four with two children aged 6-8 and 9-11 (using low-cost plan for bottom 40% of taxpayers, moderate-cost plan for next 55% and liberal plan for top 5%). Dollar amounts are the average income in each group.

