

March 24, 2024

Extension of No Tax on Overtime in Alabama

Background:

In 2023, Alabama became the first state to exempt overtime pay from state income tax, ensuring workers kept more of their hard-earned money. This exemption, which removes the 5 percent state tax on earnings over 40 hours per week, is set to expire in June 2025 – threatening the take-home pay of Alabama workers, including thousands of Steelworkers.

For many, overtime isn't a choice – it's essential. [At a press conference on March 19](#) (usw.to/5b3), USW member Mable McIntosh, who works at the Georgia-Pacific mill in Pennington, stated: "We have to work overtime to keep production going in those mills. To have that overtime be exempt, that's important. That is well deserved. It is something that should not be taken away from us now."



Solution:

Alabama House Minority Leader Anthony Daniels has introduced [HB 467](#) (usw.to/5b4), a bill that would make the tax exemption for overtime permanent. Passing this legislation would protect the paychecks of hardworking Alabamians, especially those in industries where overtime is the backbone of operations.

**Stayed tuned for updates on how you can help
support the passage of HB 467!**

*For additional questions about this issue or ways to get involved in Rapid Response, please contact
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