

## Incentives

### BALDWIN COUNTY, ALABAMA

- ❑ **Alabama Industrial Development Grant:** State grant for site preparation, access and engineering of publicly controlled sites for qualifying industrial projects. The size of the grant depends on total amount of capital investment. Grant amount range is \$10,000 to \$150,000. Granted to local public authority and subsequently to company. Requires company to meet state SIC\* code criteria.
- ❑ **Alabama Industrial Access Road Grant:** State grant to cities and counties to finance construction and improvements of access roads to industrial sites. Amount of grant determined by local and state economic impact analysis and availability of state funds.
- ❑ **Non-Educational State and Local Property Tax Abatement:** Multi-year abatement of non-educational property taxes for industrial projects up to 10 years, for state, county and city property taxes on land, building, machinery and equipment. Granted by local public authority. Requires company to meet state SIC\* code criteria.
- ❑ **Non-Educational Sales and Use Tax Abatement:** One-time abatement of non-educational construction related sales and use taxes on construction materials and machinery and equipment placed in service at the industrial facility. Granted by local public authority. Requires company meet state SIC code criteria.
- ❑ **State and Local Property Tax Exemptions:** All raw materials to be compounded or manufactured for manufacturing purposes are exempt from property taxation. Other exemptions include goods moving through the state to a final designation outside the state and goods in public warehouses.
- ❑ **State and Local Sales and Use Tax Exemptions:** Sales tax exemptions are allowed for raw materials, materials and equipment for pollution control, quality control testing and donations to charitable organizations. Utility gross receipts tax exclusions are allowed for electrolytic and electrochemical manufacturing processes.
- ❑ **Waiver of Business License and Other Fees:** Some cities allow a waiver on the cost of a business license or cost of other permits and fees related to the project for a period of one to three years.
- ❑ **State Corporate Income Tax Deductions:** Deductions for net operating losses with a 15-year carry forward, and for pollution control equipment.
- ❑ **State Corporate Income Tax Credits:** Allows qualifying companies to claim tax credit against Alabama income tax liability generated by or arising out of a qualifying industrial project. Allows company to apply five percent of initial capital cost of the project to state income tax liability for a period of 20 years. Requirements: \$8.00 per hour new hourly/salaried employees or \$10.00 per hour of total compensation; 15 to 20 jobs; \$1 million to \$2 million in capital investment.
- ❑ **Workplace Learning State Income Tax Credit:** Allows employers to take an income tax credit up to 20 percent of the cost of an approved Basic Skills Education Program that enhances basic skills of employees up to, and including, the 12th grade functional level.
- ❑ **Alabama Industrial Development Training:** Helps new or expanding companies find and train workers at no cost to the company. AIDT specializes in program development, recruiting, assessing and training potential employees, providing on-the-job training, developing and producing training materials and videos, and locating facilities and delivering customized service.
- ❑ **Career Center On-The-Job Training:** Provides businesses a reimbursement of up to 50% on wages for trainees for up to \$10.00 per hour and six months of training. Businesses are expected to provide bona fide training, keep an accurate account of each trainee(s) time and attendance and provide workers compensation insurance (or comparable liability insurance). The CareerLink's Job Developer prepares all necessary paperwork.
- ❑ **HUB Zone Program:** Provides federal contract opportunities for qualified small businesses located in distressed areas. The offer of the HUBZone small business will be considered 10% lower than the offer of a non-HUBZone/ non-small business providing that the offer of the HUBZone small business is not more than 10% higher. Baldwin County's HUBZone is located in Bay Minette.
- ❑ **Foreign Trade Zone:** There are over 1,500 acres in Baldwin County that have been approved for general purpose Foreign Trade Zone status. The primary focus of a FTZ is to allow companies to reduce or eliminate duties and tariffs until such time as they are shipped to other markets. No duty is ever paid on re-exporting merchandise. If the merchandise is sold domestically, no duty is paid until it leaves the zone. Generally no duty is paid on waste or yield loss. Also, duty on scrap is eliminated or reduced. If foreign merchandise is manufactured within an FTZ into a product with a lower duty rate, then the lower duty rate applies.