

# TAXES & INCENTIVES

	City	County	Schools	State	Other
Rate	26 mils	14.5 mils	3 mils	6.5 mils	4 mils *
Official Ratio of Assessment (20% of Market Value)					
Actual Ratio of Assessment					
Residential **	10%	10%	10%	10%	10%
Industrial Real	20%	20%	20%	20%	20%
Industrial Personal	20%	20%	20%	20%	20%
Production, Machinery & Equipment	20%	20%	20%	20%	20%
Raw Materials Inventory	N/A	N/A	N/A	N/A	N/A
Goods-in-Process Inventory	N/A	N/A	N/A	N/A	N/A
Finished Goods Inventory	N/A	N/A	N/A	N/A	N/A

\* Hospital Tax, 2.5 mils; Lee County Dependent Children, 1.5 mils    \*\* With Homestead Exemption (Without Homestead Exemption, 20%)

**INDUSTRIAL PROPERTIES WITHIN THE CITY'S CORPORATE LIMITS:** Subject to City and County taxes including hospital and dependent children taxes.

**INDUSTRIAL PROPERTIES OUTSIDE THE CITY'S CORPORATE LIMITS:** Subject to County taxes only.

**SALES TAX:** 9% (State of Alabama - 4%, City of Auburn - 4%, Lee County - 1%)

**OCCUPATIONAL LICENSE FEE:** 1% of gross income per year of each person who works in the City.

**LOCAL TAXATION POLICY TOWARDS INDUSTRY:** City will consider tax abatements for industrial projects.

**BUSINESS LICENSE FEE:** Levied for any businesses with the privilege of conducting business in the city limits of Auburn. The City's business license fee is based on gross receipts of business conducted.

**BUSINESS PRIVELEGE TAX:** Applies to corporations conducting business in Alabama.

**CORPORATE INCOME TAX:** Levied based on the corporation's net taxable income derived from business being conducted within the state of Alabama.

**PROPERTY TAX:** Classified and assessed at 20% of fair and reasonable market value for non-exempt business property in Alabama.

**CAPITAL INVESTMENT TAX CREDIT:** Income tax credit of up to five percent annually for 20 years of initial capital costs of qualifying projects to new and expanding companies.

**PROPERTY TAX ABATEMENTS:** Available to qualified new and expanding industries for non-educational taxes on equipment and building for a period of up to 10 years.

**SALES & USE TAX ABATEMENTS:** Available to qualified new and expanding industries for non-educational taxes on construction materials and equipment used in manufacturing.

**CORPORATE INCOME TAX CREDITS & DEDUCTIONS:** Available for Alabama Corporate taxpayers.

**INDUSTRIAL DEVELOPMENT GRANT PROGRAM:** State grant to pay for site preparation costs for property owned by public corporations including municipalities, industrial development boards, etc.

**INDUSTRIAL REVENUE BONDS:** May be used as long-term financing of up to 100% of a project for acquisition of land, buildings, site preparation and improvements; building construction; furnishings, fixtures and equipment acquisition and installation; and soft costs.