

# TAXES & INCENTIVES

## 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 employed in the Auburn city limits.

## Business License Fee

Levied based on gross receipts of any businesses conducting business in the Auburn city limits.

## Business Privilege Tax

Applies to any corporations conducting business in the State of Alabama.

## Corporate Income Tax

Levied based on corporation's net taxable income from business conducted in the State of Alabama.

## Property Tax

Classified and assessed at 20% of fair market value for non-exempt business property in the State of Alabama.

PROPERTY TAX RATES - ACTUAL RATIO OF ASSESSMENT					
LOCATION	CITY - 26 MILS	COUNTY - 14.5 MILS	SCHOOLS - 3 MILS	STATE - 6.5 MILS	OTHER - 4 MILS*
Residential **	10%	10%	10%	10%	10%
Industrial Real	20%	20%	20%	20%	20%
Industrial Personal	2.0%	2.0%	2.0%	2.0%	2.0%
Machinery & Equipment	2.0%	2.0%	2.0%	2.0%	2.0%
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 - 20%)

## Property/Sales & Use Tax Abatements

The City will consider abatements for qualified new and expanding industries for non-educational taxes on equipment and building for a period of up to 10 years.

## Jobs Credit

Annual refund for companies of up to 3% of the previous year's gross payroll for up to 10 years; an additional .5% credit for veteran's wages is available if companies employ at least 12% veterans.

## Investment Credit

Available for up to 1.5% of the qualified capital investment expenses for up to 10 years.

## Corporate Income Tax Credits & Deductions

Available for qualifying State of 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

Used as long-term financing for up to 100% of a project for land acquisition, buildings, site prep/improvements, building construction, furnishings, fixtures and equipment, and soft costs.