

# TAXES & INCENTIVES

	CITY	COUNTY	SCHOOLS	STATE	OTHER
<b>RATE:</b>	26 MILS	14.5 MILS	3 MILS	6.5 MILS	4 MILS*
<b>Official Ratio of Assessment</b> (20% of Market Value)					
<b>ACTUAL RATIO OF ASSESSMENT:</b>					
<b>Residential **</b>	10%	10%	10%	10%	10%
<b>Industrial Real</b>	20%	20%	20%	20%	20%
<b>Industrial Personal</b>	20%	20%	20%	20%	20%
<b>Production, Machinery &amp; Equipment</b>	20%	20%	20%	20%	20%
<b>Raw Materials Inventory</b>	N/A	N/A	N/A	N/A	N/A
<b>Goods-in-Process Inventory</b>	N/A	N/A	N/A	N/A	N/A
<b>Finished Goods Inventory</b>	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%)

**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 FOR 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/assessed at 20% of fair market value for non-exempt business property in Alabama.

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

**INVESTMENT CREDIT:** Available for up to 1.5% of the qualified capital investment expenses for up to 10 years.

**PROPERTY TAX ABATEMENTS:** Available to qualified new/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/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:** 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.

**SECTION 108 LOANS:** The City offers a micro-loan and economic development loan for eligible projects.