

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%)

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.

JOBS CREDIT: An annual cash refund 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 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.

SECTION 108 LOAN PROGRAM: Offered through the City of Auburn. The City offers a micro-loan and economic development loan program for eligible projects.