## TAXES & INCENTIVES

<table>
<thead>
<tr>
<th>Official Ratio of Assessment (20% of Market Value)</th>
<th>CITY</th>
<th>COUNTY</th>
<th>SCHOOLS</th>
<th>STATE</th>
<th>OTHER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate: 26 MILS</td>
<td>14.5 MILS</td>
<td>3 MILS</td>
<td>6.5 MILS</td>
<td>4 MILS*</td>
<td></td>
</tr>
</tbody>
</table>

### 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 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 PRIVILEGE 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.