Local (Phenix City/Hurtsboro/Russell County) Tax Breakdown

| Millage Rate (Phenix City) | .059 |
| Millage Rate (Hurtsboro City) | .050 |
| Millage Rate (Russell County) | .036 |
| Homestead exemption (minus first $20,000 of appraised value) | |
| Effective property tax (commercial property – Phenix city) | $11.80 per $1000 of fair market value |
| Effective property tax (commercial property – Hurtsboro) | $10.00 per $1000 of fair market value |
| Effective property tax (commercial property – Russell County) | $7.20 per $1000 of fair market value |
| Local Sales Tax (Phenix City) | 4.75% |
| Local Sales Tax (Hurtsboro) | 4% |
| Local Sales Tax (Russell County) | 4% |
| State of Alabama Sales Tax | 4% |
| Total Sales Tax (Phenix City) | 8.75% |
| Total Sales Tax (Hurtsboro) | 8% |
| Total Sales Tax (Russell County) | 8% |

Example: Residential (owner occupied) $150,000 home:
Phenix City: $150,000 - $20,000 = $130,000 x .10 x .059 = Tax $767.00
Hurtsboro: $150,000 - $20,000 = $130,000 x .10 x .050 = Tax $650.00
Russell County: $150,000 - $20,000 = $130,000 x .10 x .036 = Tax $468.00

Example: Rental residential and business commercial
Phenix City: $150,000 x .20 x .059 = Tax $1770.00
Hurtsboro: $150,000 x .20 x .050 = Tax $1500.00
Russell County: $150,000 x .20 x .036 = Tax $1080.00

Example: All Land is assessed at 10% (with or without current use)
100 Acres, good timber land at $686.00 per acre (current use)
100 Acres x $686.00 x .10 x .036 = Tax $246.96

The above is believed to be complete and accurate.
Prepared by the Phenix City Economic Development Department

Corporate Income Taxes

- Rate is 6.5%
- Based on next taxable income of business done in Alabama
- Businesses can deduct all of their federal income taxes apportioned to Alabama

Incentives Include:
- Net operating loss carry forward
- Deduction for pollution control equipment
- Income Tax Capital credit
Sale and Use Tax

<table>
<thead>
<tr>
<th>Russell County</th>
<th>Phenix City</th>
<th>Alabama</th>
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</thead>
<tbody>
<tr>
<td>Sales Tax</td>
<td>1.0%</td>
<td>3.75%</td>
</tr>
<tr>
<td>Use Tax</td>
<td>4.0%</td>
<td>3.0%</td>
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<tr>
<td>Sales Tax on Machinery</td>
<td>2.5%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Use Tax on Machinery</td>
<td>2.5%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Total Sales Tax (City)</td>
<td>7%</td>
<td>8.75%</td>
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<tr>
<td>Total Sales Tax (County)</td>
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<tr>
<td>Milage Rate (City)</td>
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<td>7%</td>
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<tr>
<td>Milage Rate (County)</td>
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<tr>
<td>Effective Property Tax Rate (City)</td>
<td>.72%</td>
<td>1.18%</td>
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<tr>
<td>Effective Property Tax Rate (County)</td>
<td></td>
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</tbody>
</table>

Incentives Include:
- Abatements of state and non-educational local construction-related sales and use taxes
- Discount if sales tax is timely paid
- Exemption for raw materials
- Exemption for pollution control equipment
- Exemption for quality control testing and donations to charitable entities
- Utility gross receipts tax exclusions
- Enterprise Zone credit

Assessment Rate 20%
$11.80 per $1,000 of Fair Market Value (City)
$7.20 per $1,000 Fair Market Value (County)

Source: Alabama Department of Revenue
Click on logo for more information

Enterprise Zone Credit

Phenix City, AL is one of 28 locations in the state of Alabama included in an Enterprise Zone. An Enterprise Zone is an area that is able to offer innovative packages of local tax and non-tax incentives to encourage businesses to locate or expand in that area.

Income Tax Capital Credit

Alabama offers an annual income tax credit equal to 5 percent of certain projects' capital costs each year for a 20-year period.
Federal Income Tax Deductions

Corporate taxpayers can deduct their full apportioned Alabama amount of federal income taxes paid, thereby significantly lowering their effective state income tax rate.

Knowledge-based Job Incentives

Capital credits and tax abatements for new and expanding corporate headquarters, data processing center (including those of financial institutions and insurance companies), inbound call centers and space research and technology facilities.

Green Job Incentives

Economic incentives available to new and expanding producers of electricity of natural gas from biomass or renewable energy resources, cellulosic biofuel producers (ex. wood, waste, garbage, and rubber) and other "green" employers.

Net Operating Loss Carryforward

Net operating losses can be carried forward 15 consecutive years to offset Alabama income.

State Docks Capital Credit

Eligible companies that locate or expand operations on property which is owned or leased by the Alabama State Port Authority enjoy specific tax advantages.

Income Tax Education Credit

An income tax credit of 20 percent of the actual costs of education is provided to an employer who provides or sponsors programs to enhance basic skills of employees, up to and including the 12th grade functional level.

Sales and Use Tax Abatements

All state sales and use tax and the local non-educational portion of sales and use tax on equipment, materials, and other tangible personal property purchased for the construction and equipping of certain qualifying facilities may be abated.

No Sales and Use Tax on Raw Materials

Raw materials used by manufactures or compounders as an ingredient or component part of a manufactured or compounded product are exempt.

Vendor Discounts on Sales Taxes

Retailers who submit sales taxes in a timely manner enjoy a discount on taxes due.
Property Tax Abatements

In addition to Alabama's historically low property tax rates, take advantage of an up to 10-year abatement on the non-educational portion of property taxes on both real and personal property acquired to establish or expand certain industrial and research enterprises.

Local Property Tax Incentives

Many cities, counties, and industrial authorities offer their own incentives.

No Property Tax on Inventory

Alabama levies no property tax on inventories.

Pollution Control Exemption

All equipment and materials purchased primarily for the control, reduction, or elimination of air or water pollution are exempt from property tax and use tax.

Income Tax Capital Credit

Available to new and expanding industries
Up to 5% credit for the total capital costs of qualifying projects
Available each year, up to 20 years
Lower threshold available for business in Phenix City because of the Enterprise Zone designation.

State Unemployment Tax

Employees do not contribute
Employer requirement is based on first $8,000 of each employee's compensation
Rates vary from 0.5% to 5.4%
New employer rate is 2.7%
Rates are based on employers experience rating
Source: Alabama Department of Revenue

Alabama Film Incentives a Reality

The Alabama Film Office (and the Alabama Department of Revenue) will oversee the Film Incentive program signed by Governor Riley, making Alabama Entertainment Industry Incentive Act of 2009 a reality. Click here for more information.
Source: Birmingham News