

Alabama Business Climate

"The success of our plant in Tuscaloosa and the vehicles that we are producing there shows it was the right decision to come to Alabama back in 1993. Without the great support from the State of Alabama, this success story would definitely not have been written."



Dr. Dieter Zetsche - Chairman of Daimler AG and Head of the Mercedes Car Group

"The Boeing Company considers the State of Alabama an excellent place to do business. The well-trained and educated workforce, positive business environment and support from local and state officials has contributed greatly to our successful operations in the state."



Jim Albaugh - Executive Vice President The Boeing Company and Chief Executive Officer Boeing Integrated Defense Systems

Pro-Business Environment

Cost of Doing Business

- Nationally among the lowest electricity costs per kilowatt hour rate for industrial sector users. (U.S. Energy Information Administration 2008)

Attractive Tax Incentives

Tax Credits

- Capital Investment
- Alabama Enterprise Zone
- Employer Education

Abatements

- Property Tax
- Sales and Use Tax

Grants

- Industrial Development

Available Property Statewide

- Almost 500 industrial and commercial buildings for sale or lease – Available square footage ranges from 5,000 to 1 million square feet.
- Over 400 prepared industrial parks, greenfield sites and reusable property – Available acreage ranges from five to five thousand acres.

One-Stop Environmental Permitting

- The Alabama Department of Environmental Management (ADEM) has authority to issue the permits required by all the major federal environmental laws. Therefore, Alabama can offer “one-stop” permitting.
- Complex air and water permits are usually issued by ADEM within 60 days.
- Construction storm water permits are regularly issued within two or three days.
- Even PSD (Prevention of Significant Deterioration) analyses for major air permits can be completed in 120 days in many cases.

Low Tax Burden

Tax	State Data
Sales Tax - General	4.00%
Local levies applicable	yes
Abatements available	yes
Sales Tax - Mfg. Machinery	1.50%
Local levies applicable	yes
Abatements available	yes
Property Tax	6.5
Assessment %	20%
Local levies applicable	yes
Abatements available	yes
Inventory Tax	No
Corporate Income Tax Rate*	6.5%
	Yes-100%
Deductibility of Federal Taxes	*The deductibility of federal taxes results in a net effective corporate income tax rate of approximately 4.5%
Business Privilege Tax	\$.25 to 1.75 per \$1,000 of net worth (\$15K max)
Pollution Control Exemptions	
Property Tax	yes
Sales Tax	yes
State Unemployment Insurance	
2010 Taxable Wage Base	\$8,000
2010 New Employer Rate %	2.70%
2010 Minimum Rate %	2.09%
2010 Maximum Rate %	8.24%
State Personal Income Tax	
For single persons, heads of families, and married persons filing separate returns:	
	2% First \$500 of taxable income
	4% Next \$2,500 of taxable income
	5% All taxable income over \$3,000
For married persons filing a joint return:	
	2% First \$1,000 of taxable income
	4% Next \$5,000 of taxable income
	5% All taxable income over \$6,000

Skilled Labor and Workforce Training

Workforce Statistics (Alabama Department of Industrial Relations)

March 2010	Unemployment Rate (Seasonally Adjusted)	Civilian Labor Force
Alabama	11.0%	2,065,982
United States	9.7%	153,910,000

Employment By Industry (Alabama Department of Industrial Relations)

March 2010	Non-Adjusted (Preliminary)
Total Non-Farm Employment	1,858,100
Natural Resources and Mining	11,600
Construction	82,900
Manufacturing	237,900
Motor Vehicle Mfg	10,400
Aerospace Products and Parts Mfg	14,000
Trade, Transportation, and Utilities	361,300
Information	23,500
Financial Activities	91,400
Professional and Business Services	203,200
Educational and Health Services	215,100
Leisure and Hospitality	165,600
Other Services	78,500
Government	387,100

Population Age 25+ by Educational Attainment

Census 2000—Alabama Statewide	%
Less than 9th grade	8.3%
9th to 12th grade, no diploma	16.4%
High school graduate or GED	30.4%
Some college, no degree	20.5%
Associate degree	5.4%
Bachelor's degree	12.2%
Graduate or professional degree	6.9%



Site Selection magazine's Top 25 State Business Climate survey ranked Alabama as having the 7th best business climate in the nation, corporate real estate executives completing the same survey also ranked Alabama's business climate as the 7th best in the nation. (November 2009)



Alabama received the "Silver Shovel" award from Area Development magazine for its success in job creation in 2008. (June 2009)

Workforce Advantages

- AIDT provides a total workforce management system, at no cost to the employers or trainees.
- Alabama is a right-to-work state.
- AIDT, the only program of its kind in the nation, has been awarded ISO 9001:2008 certification by the International Organization for Standardization

Market Access

Located in the heart of the South with over 96 million people within 600 miles of the center of the state, Alabama offers an efficient and comprehensive transportation system. Alabama lies at the crossroads of the Sunbelt. Five interstate highways converge in Alabama and a sixth interstate is near completion. The interstates are part of a network of over 74,000 miles (119,091 km) of paved public roads in Alabama.



- Five interstate highways
I-10 (FL to CA)
I-20 (SC to TX)
I-59 (TN to LA)
I-65 (AL to IL)
I-85 (AL to VA)
Future I-22 (AL-TN)

- Seven commercial airports
(Alabama is served by six major commercial airlines and seven commuter airlines. International flights are easily accessible via direct flights from major connecting cities. Alabama has nearly 90 public use airports.)

- Five Class I railroads
- Numerous inland docks

- A full-service, deepwater international seaport

- One of the largest inland waterway systems in the nation

Alabama has approximately 1,300 miles (2,092 km) of navigable inland waterways along six corridors. These commercially navigable systems connect to 15,000 miles (24,140 km) of inland waterways in 23 states via the Tennessee-Tombigbee and the Gulf intracoastal water systems.

Foreign Trade Zones

Five Alabama cities - Birmingham, Dothan, Huntsville, Mobile, and Montgomery - have foreign trade zones with direct access to their air transportation system. Each foreign trade zone has been designated for the promotion of international commerce through the duty-free, quota-free entry of foreign goods under U.S. Customs supervision.



Port of Mobile

Alabama is located at the center of the most populated and fastest growing region of the United States. The state offers easy access to the 100 million residents of the South.