



ALABAMA JOBS ACT: **JOBS CREDIT AND INVESTMENT CREDIT**

Sections 40-18-370 through 40-18-383 of the Code of Alabama 1975 provide for incentives to stimulate job creation and capital investment through the Jobs Credit and Investment Credit. The incentives are discretionary based on various aspects of the project.

For more information regarding eligibility, qualifications and procedures for a new or expansion project, please contact Ted Clem, Director of Recruitment and Retention at ted.clem@commerce.alabama.gov or 334.353.0938.

BENEFITS:

1. Jobs Credit

- Cash rebate of up to 3% annually of the previous year's gross payroll (not including fringe benefits) for eligible employee who are Alabama residents for up to 10 years. Enhanced benefits include:
 - Up to an additional 0.5% rebate on the wages of veterans for companies employing at least 12% veterans in their eligible workforce.
 - Up to an additional 1% rebate for companies locating in a Targeted or Jumpstart County (provided below).
 - Up to an additional 0.5% rebate for companies locating within a former active duty military base that was closed by BRAC.
 - Up to an additional 2% rebate for Technology Companies, as defined below.

2. Investment Credit

- Alabama tax credit of up to 1.5% annually of the qualified capital investment in a qualifying project for up to 10 years. Companies locating in a Targeted or Jumpstart County may receive the Investment Credit for up to 15 years. The Investment Credit may be taken against Alabama state income tax, financial institution excise tax, insurance premium tax and/or utility tax liability.
- The credit can be carried forward for five years.
- At the discretion of the Governor, the credit for the first 3 years may be transferred to another taxpayer for at least 85% of face value.
- Companies qualifying as Technology Companies and receiving the increased Jobs Credit percentage are ineligible for the Investment Credit.

ELIGIBILITY:

Project must have a qualifying business activity listed in Code of Alabama Section 40-18-372(1).

Job Creation Threshold:

Type of County/Project	Job Threshold Requirement
Non-Targeted / Non-Jumpstart County	50 net new full-time jobs
Targeted* or Jumpstart** County	10 net new full-time jobs
Technology Company***	5 net new full-time jobs
Chemical Manufacturing, Data Center, Engineering, Design, or Research, Metal/Machining Technology or Toolmaking	Net new full-time job(s)

Capital Investment Threshold:

Type of County/Project	Capital Investment Threshold Requirement
Non-Targeted / Non-Jumpstart County	None
Targeted* or Jumpstart** County	\$2,000,000, directly or indirectly

* “Targeted County” is defined as an Alabama County with a population of 50,000 or fewer. See list below.

** “Jumpstart County” is defined as any Alabama County that (1) does not qualify as a Targeted County, (2) has experienced negative population growth over the last 5 years, **and** (3) contains no more than two Opportunity Zones. See list below.

*** “Technology Company” is defined as any company that meets the following criteria:

- Alabama is or will become the company’s headquarters; *and*
- Alabama is or will become the place of residence for the top 3 executives; *and*
- Alabama is or will become the place of residence for at least 75% of employees; *and*
- Company must earn at least 75% of its revenue from one of the following business activities:
 - NAICS Codes:
 - 5112 (Software Publishers);
 - 5121 (other than 51213) (Motion Picture & Video Industries (other than Motion Picture Video Exhibition));
 - 518 (Data Processing, Hosting, & Related Services);
 - 51913 (Internet Publishing & Broadcasting & Web Search Portals)
 - 5415 (Computer Systems Design & Related Services)
 - 5417 (Scientific Research & Development Services).
 - The use of technology to develop new coding or processes for the creation or delivery of goods of services in at least one of these fields:
 - Education;
 - Nutrition;
 - Aerospace;
 - Automotive;

- Financial Services;
 - STEM;
 - Robotics;
 - Healthcare;
 - Energy;
 - Agriculture;
 - Infrastructure.
- Educating and mentoring early stage Technology Companies recruited to Alabama, with the goal of accelerating their development and growth.

TARGETED COUNTIES			
Barbour	Cleburne	Geneva	Monroe
Bibb	Conecuh	Greene	Perry
Bullock	Coosa	Hale	Pickens
Butler	Covington	Henry	Pike
Chambers	Crenshaw	Lamar	Randolph
Cherokee	Dale	Lawrence	Sumter
Chilton	Dallas	Lowndes	Tallapoosa
Choctaw	Escambia	Macon	Washington
Clarke	Fayette	Marengo	Wilcox
Clay	Franklin	Marion	Winston

JUMPSTART COUNTIES
Etowah
Jackson
Lauderdale
Morgan
Russell
Talladega
Walker