



GROWING ALABAMA CREDIT

The Growing Alabama Act provided for in Section 3 through 9 of Legislative Act 2021-2 provides an incentive mechanism to provide a source of funds to Economic Development Organizations (EDO's) to stimulate economic growth for a variety of qualifying activities.

Alabama taxpayers who make cash contributions to EDO's for approved qualifying projects receive a Growing Alabama tax credit that can offset up to 50% of the following tax types:

- Income tax
- State portion of the financial institution excise tax
- Insurance premium tax
- State utility license tax

Taxpayers donating to EDO's for approved projects receive a credit equal to their donation and may carry the credit forward for up to five years. The credit may be passed through to individual owners, shareholders, partners, or members of an LLC

Before receiving any cash contributions, the EDO must apply to the Department of Commerce. All Growing Alabama Credit funding allocations must be approved by the Renewal of Alabama Commission. Funding is capped at \$20 million per calendar year.

For additional information regarding this program, please contact Angela Smith, Incentives Manager, at angelag.smith@commerce.alabama.gov or 334.353.8113.

GROWING ALABAMA APPLICANT – ECONOMIC DEVELOPMENT ORGANIZATION

“Economic Development Organization” is a state or local economic development organization meeting each of these three criteria:

- (1) Is an Alabama entity not operating for a profit; and
- (2) Charged with improving the state or a region of the state; and
- (3) Has a record of supporting or otherwise participating in economic development efforts in Alabama.

A state EDO must confirm eligibility with Commerce prior to applying. A state EDO may apply for funding allocations for the agricultural center and eligible programs only.

QUALIFYING ACTIVITIES

1. SITE WORK AND PUBLIC INFRASTRUCTURE

Eligible Sites (must be owned by the applying local EDO)

- Industrial sites that have either a pending expression of interest or an identifiable reason an industrial prospect rejected the site.
- Industrial or Research Parks that require connections to interstates, highways, roadways, rail systems, or sewer, fiber, electrical, gas or water infrastructure.
- Low-Income Community census tracts as defined by the New Market Tax Credit program found in 26 U.S. Code 45D(e).

2. CAPITAL IMPROVEMENTS AND ECONOMIC DEVELOPMENT ACTIVITIES

Eligible Sites (must be owned by the applying local EDO)

- Inland Ports that are on a navigable river away from traditional land, air, and coastal borders.
- Intermodal Facilities which interconnects two or more different modes of air, rail, or road traffic serving multiple customers, and which involves storage facilities.

Eligible expenditures

- Capital improvements are construction and rehabilitation capitalized expenses at an inland port or intermodal facility, the dredging of waterways in the immediate vicinity of an inland port, and the expansion of onsite storage facilities at an inland port or intermodal facility.
- Economic development activities are activities and initiatives which enhance the use of, and flow of goods through, an inland port or intermodal facility.

3. AGRICULTURAL CENTER CONSTRUCTION & MAINTENANCE

Eligible Sites

- Agricultural Centers that have a projected total annual economic impact of at least \$35,000,000 and a projected capital expenditure of at least \$100,000,000.

4. PROGRAMS

Eligible Programs

- **Tech Accelerators**: Creation, operation, or support of an accelerator program for technology companies.
 - o An “accelerator” is defined as a company which, for a fixed term of six months or less, educates and mentors early-stage technology companies recruited to a location in Alabama, with the goal of accelerating such companies’ development and growth.
 - o The program must contain a defined curriculum and mentorship component.
 - o Eligible expenditures are direct operational expenditures associated with the program.

- **Programs for Underrepresented Companies**: Creation, operation, or support of programs designed to provide funding or other resources for underrepresented companies. An “underrepresented company” is defined as any company which meets all the criteria in either paragraph (1) or (2) below:
 - o The company is a for-profit business headquartered in a community eligible for investment through the federal New Markets Tax Credit program under 26 U.S. Code 45D(e), has fewer than 10 employees, and has average gross revenues of less than \$500,000 in the previous three years.

 - o The company is a for-profit business that is independently owned and controlled and is at least 51% owned and controlled by one or more women or African Americans who are citizens of the United States. In the case of a publicly-owned business, the company is a for-profit business of which at least 51% of the stock is owned and controlled by one or more women or African Americans who are citizens of the United States and who control the daily management and operations.

APPROVED APPLICANTS

Growing Alabama Approved Applicant	Approved Allocation	Approval Date
The Bibb County Economic and Industrial Development Authority	\$ 5,000,000	9/25/2017
The Industrial Development Board of Pell City, Alabama	\$ 1,619,400	9/25/2017
The Industrial Development Board of the City of Bessemer	\$ 3,000,000	8/2/2018
Mobile Airport Authority	\$ 3,000,000	9/24/2018
Mobile Airport Authority	\$ 302,697	12/31/2018
Mobile Airport Authority	\$ 2,000,000	7/30/2019
Baldwin County Economic Development Alliance	\$ 5,000,000	7/30/2019
The Economic Development Partnership of Alabama, Inc.	\$ 2,697,303	9/24/2019
Etowah County Commission	\$ 2,700,000	12/18/2019
Opelika Industrial Development Authority	\$ 200,000	12/18/2019
The Industrial Development Board of the City of Enterprise	\$ 900,000	2/5/2020
Baldwin County Economic Development Alliance	\$ 2,000,000	3/25/2020
Bronze Valley Corp.	\$ 1,276,130	4/14/2020
Montgomery Area Chamber of Commerce	\$ 600,000	9/29/2020
Tuscaloosa County Industrial Development Authority	\$ 1,509,870	9/29/2020
MidCity Accelerator Foundation, Inc.	\$750,000	9/29/2020
Decatur-Morgan County Entrepreneurial Center, Inc.	\$ 64,000	9/29/2020