



## 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](mailto:angelag.smith@commerce.alabama.gov) or 334.353.8113.

---

### **FY 2021 APPLICATION DEADLINE AND COMMISSION MEETING SCHEDULE**

---

Application Deadline

May 4  
August 3  
November 16

Commission Meeting

May 25  
August 24  
December 7

---

## **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.

|                            |
|----------------------------|
| <b>APPROVED APPLICANTS</b> |
|----------------------------|

| <b>Growing Alabama Approved Applicant</b>                     | <b>Approved Allocation</b> | <b>Approval Date</b> |
|---|----------------------------|----------------------|
| 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            |