

INFORMATION SHEET FOR TAX ANALYSIS

Prepared by the Alabama Department of Revenue, Office of Economic Development

Date Prepared: 5/1/26

USER INPUTS ARE IN BLUE ON THE SCREEN

Project name:

Project Beach Updated

Location:

City of Foley, Baldwin County, Alabama

Criteria:

PROJECT CRITERIA: Total project costs are \$13,715,000, per Ashton Feaster with the Baldwin Alliance. Project costs consist of: Land - \$900,000; Building - \$10,250,000; Manufacturing Equipment - \$2,100,000; Nonmanufacturing Equipment - \$230,000; Computer Equipment - \$75,000 and Courier Vehicle and Company Vehicle - \$160,000.

Project Cost or Investment Figures

Existing Real Property			\$0
Cost of New Land			\$900,000
	Value of Donated Land	\$0	
Cost of Land Improvements/Infrastructure			\$2,000,000
Full Cost of New Buildings			\$8,250,000
% of building cost for materials for sales tax	50.00%	\$4,125,000	
Total Real Property Costs			\$11,150,000
Total Real Property Value for Property Tax (costs + donated land)			\$11,150,000
Manufacturing Equipment (10-year life)			
	New manufacturing equipment		\$2,100,000
	Item 2		\$0
	Item 3		\$0
Equipment costs not subject to sales and use tax			
	Transferred/used equipment	\$0	
	Installation labor	\$0	
	Total owned/used manufacturing eqpt.		\$0
Total Manufacturing Equipment Costs			\$2,100,000
Nonmanufacturing Equipment (10-year life)			
	New nonmanufacturing equipment		\$230,000
	Item 2		\$0
	Item 3		\$0
Equipment costs not subject to sales and use tax			
	Transferred/used equipment	\$0	
	Installation labor	\$0	
	Total owned/used nonmanufacturing eqpt.		\$0
Computer Equipment (3-year life)			\$75,000
Total Nonmanufacturing Equipment Costs			\$305,000
Rolling Stock			\$0
Vehicles (assessed per state manual)			\$160,000
Pollution Control Equipment (exempt from sales & use taxes and property taxes)			\$0
Other Labor & Miscellaneous Costs (not taxed for sales tax & not part of property tax value)			\$0
TOTAL REAL & PERSONAL PROPERTY INVESTMENT			\$13,715,000

SALES AND/OR USE TAX RATES

		General	Educ Part	Mfg. Mach.	Educ Part
State	Alabama	4.000%	0.000%	1.5000%	0.0000%
County	Baldwin County	3.000%	3.000%	1.2500%	1.2500%
City	City of Foley	3.000%	0.000%	0.5000%	0.0000%
TOTAL	all jurisdictions	10.000%	3.000%	3.2500%	1.2500%

PROPERTY TAX MILLAGE RATES

		Total		Educ Part/ Nonabated	
State	Alabama	0.0065		0.0030	
County	Baldwin County	0.0245	local total	0.0150	local total
City	City of Foley	0.0050	0.0295	0.0000	0.0150
TOTAL	all jurisdictions	0.0360		0.0180	

ALABAMA
SALES AND USE TAX SAVINGS
WITH ABATEMENTS
(Estimated from best information available)

Project Beach Updated
City of Foley, Baldwin County, Alabama

	Cost	Amount of Tax with NO Abatements (4)(5)(6)(7)	Amount of Tax with FULL Abatements (4)(5)(6)(7)	TAX SAVINGS
Items Taxed at GENERAL Sales & Use Tax Rates				
Land Improvements (1) 50.00%	\$1,000,000	\$100,000	\$30,000	\$70,000
Building Materials (1) 50.00%	\$4,125,000	\$412,500	\$123,750	\$288,750
New Non-manufacturing Equipment (2)	\$305,000	\$30,500	\$9,150	\$21,350
Items Taxed at MANUFACTURING Rates				
New Manufacturing Machinery (2)	\$2,100,000	\$68,250	\$26,250	\$42,000
Items Taxed at AUTOMOTIVE Rates				
Rolling Stock	\$0	\$0	\$0	\$0
Vehicles	\$160,000	\$6,000	\$2,000	\$4,000
Items EXEMPT or NOT TAXED				
Building Labor (1) 50.00%	\$4,125,000	\$0	\$0	\$0
Land and Existing Real Property(1)	\$900,000	\$0	\$0	\$0
Used equipment already owned (2)	\$0	\$0	\$0	\$0
Pollution Control Equipment (3)	\$0	\$0	\$0	\$0
Other Labor & Miscellaneous Costs	\$0	\$0	\$0	\$0
TOTAL PROJECT VALUE & TOTAL TAXES	\$12,715,000	\$617,250	\$191,150	\$426,100
Breakdown by jurisdiction				
State Taxes		\$251,900	\$0	\$251,900
County Taxes		\$191,150	\$191,150	\$0
City Taxes		\$174,200	\$0	\$174,200

NOTES:

PROJECT CRITERIA: Total project costs are \$13,715,000, per Ashton Feaster with the Baldwin Alliance. Project costs consist of: Land - \$900,000; Building - \$10,250,000; Manufacturing Equipment - \$2,100,000; Nonmanufacturing Equipment - \$230,000; Computer Equipment - \$75,000 and Courier Vehicle and Company Vehicle - \$160,000.

(1) Assume that the percentage of total building cost shown above is for building materials, and the remaining percentage of building cost is for labor. Assume further that all of the building materials cost is subject to sales and use taxes. Labor is not taxable for sales and use taxes in Alabama. Land is not taxable for sales and use taxes in Alabama.

(2) Manufacturing equipment is taxed at a reduced rate in Alabama. Non-manufacturing equipment (including warehouse, computer, furniture & fixtures, etc.) is taxed at the general rate. Used equipment already owned by the company, or purchased from the former owner, is not subject to sales tax. Installation labor, when billed as a separate item, is not subject to sales and use tax.

(3) All equipment, facilities, or materials constructed or acquired primarily for the control, reduction, or elimination of air or water pollution are statutorily exempt from sales and use taxes in Alabama.

(4) Project criteria show that the site will be located inside the city limits of: City of Foley, Baldwin County, Alabama

(5) Sales and use tax rates are as follows:

LOCATION	General	Educational	Mfg. Machinery	Educational	Auto	Educational
Alabama	4.0000%	0.0000%	1.5000%	0.0000%	2.0000%	0.0000%
Baldwin County	3.0000%	3.0000%	1.2500%	1.2500%	1.2500%	1.2500%
City of Foley	3.0000%	0.0000%	0.5000%	0.0000%	0.5000%	0.0000%
TOTALS	10.0000%	3.0000%	3.2500%	1.2500%	3.7500%	1.2500%

(6) State sales and use taxes and local non-educational sales and use taxes may be abated if a company meets certain requirements. An abatement of state and local sales and use taxes is granted at the local level, by a City Government, a County Government, or a Public Authority. The non-abatable portions of state and local sales and use taxes are indicated in the chart above.

(7) The sales and use tax abatement is effective the date it is granted by the local granting authority. Therefore, any purchases made prior to the effective date would not qualify for the abatement. The sales and use tax abatement is only available until the project is placed in service, and only for capitalized purchases. The full sales and use tax would be due for periods subsequent to date the project is placed in service.

**ALABAMA
PROPERTY TAX SAVINGS
WITH ABATEMENTS**
(Estimated from best information available)

**Project Beach Updated
City of Foley, Baldwin County, Alabama**

	Assessed Value @ 20% of Market Value for Real & Personal	Amount of Tax with NO Abatements @ 0.0360	Amount of Tax with FULL Abatements @ 0.0180	ESTIMATED TAX SAVINGS 0.0180
Year 1	\$2,718,440	\$97,864	\$48,932	\$48,932
Year 2	\$2,708,382	\$97,502	\$48,751	\$48,751
Year 3	\$2,688,389	\$96,782	\$48,391	\$48,391
Year 4	\$2,660,682	\$95,785	\$47,892	\$47,892
Year 5	\$2,629,146	\$94,649	\$47,325	\$47,325
Year 6	\$2,580,377	\$92,894	\$46,447	\$46,447
Year 7	\$2,531,795	\$91,145	\$45,572	\$45,572
Year 8	\$2,478,722	\$89,234	\$44,617	\$44,617
Year 9	\$2,425,800	\$87,329	\$43,664	\$43,664
Year 10	\$2,391,654	\$86,100	\$43,050	\$43,050
Totals		\$929,282	\$464,641	\$464,641

NOTES:

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(1) For calculation purposes, land is valued at cost, including the current value of any donated land. However, the savings granted by an abatement will vary based upon the assessed value of the land every year. Land is valued at market value, including purchased land and donated land.

(2) Real property is valued on an "observed condition," with reappraisal occurring annually. For easier calculation, the value of real property will remain constant. However, this figure is likely to change throughout the 10 year abatement period.

(3) **All equipment, facilities or materials constructed or acquired primarily for the control, reduction or**

(4) All manufacturing equipment is valued using current composite factors and the applicable economic life for your type of industry. All non-manufacturing equipment is valued using current composite factors and a 10 year economic life, except computers having a 3 year economic life. Vehicles are assessed per state manual; however, for analysis purposes, the Manufactured Suggested Retail Price (MSRP) is multiplied by 89% for the first year market value, every year thereafter has an annual depreciation of 90%.

(5) All business property is assessed at 20% of market value and taxes are collected by the local tax officials.

(6) Project criteria show that the site will be located inside the city limits of: City of Foley, Baldwin County, Alabama

(7) Property tax millage rates:

LOCATION	Full millage	Education/Nonabated Millage	Abatable Millage
Alabama	0.0065	0.0030	0.0035
Baldwin County	0.0245	0.0150	0.0095
City of Foley	0.0050	0.0000	0.0050
TOTALS	0.0360	0.0180	0.0180

(8) Non-educational state and local property taxes may be abated for a period of up to ten years for a qualifying industry. If no bonds are issued, the abatement period begins when the project is placed in service. Therefore, any CIP would be taxable at the full millage rate. In addition, the property would be fully taxable at the end of the abatement period. An abatement is granted at the local level, by a City Government, a County Government, or a Public Authority.