

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

**Green Health Laboratories, LLC  
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
<b>Items Taxed at GENERAL Sales &amp; Use Tax Rates</b>				
Building Materials (1)	100.00% \$685,000	10.000% \$68,500	3.000% \$20,550	7.000% \$47,950
Land Improvements (1)	50.00% \$0	\$0	\$0	\$0
New Non-manufacturing Equipment (2)	\$560,000	\$56,000	\$16,800	\$39,200
<b>Items Taxed at MANUFACTURING Rates</b>				
New Manufacturing Machinery (2)	\$2,240,000	3.250% \$72,800	1.250% \$28,000	2.000% \$44,800
<b>Items EXEMPT or NOT TAXED</b>				
Building Labor (1)	0.00% \$0	0.000% \$0	0.000% \$0	\$0
Land and Existing Real Property(1)	\$0	\$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
<b>TOTAL PROJECT VALUE &amp; TOTAL TAXES</b>	<b>\$3,485,000</b>	<b>\$197,300</b>	<b>\$65,350</b>	<b>\$131,950</b>
<b>Breakdown by jurisdiction</b>				
State Taxes		\$83,400	\$0	\$83,400
County Taxes		\$65,350	\$65,350	\$0
City Taxes		\$48,550	\$0	\$48,550

**NOTES:**

**PROJECT CRITERIA:** Total project costs are \$3,485,000, per the Baldwin County Economic Development Alliance for Green Health Laboratories, LLC. Project costs consist of: Land - \$0; Building - \$685,000; Manufacturing Equipment - \$2,240,000; Nonmanufacturing Equipment - \$560,000; and other costs - \$0.

(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
Alabama	4.000%	0.000%	1.500%	0.000%
Baldwin County	3.000%	3.000%	1.250%	1.250%
City of Foley	3.000%	0.000%	0.500%	0.000%
<b>TOTALS</b>	<b>10.000%</b>	<b>3.000%</b>	<b>3.250%</b>	<b>1.250%</b>

(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.