

Alabama Tax Incentives for Brownfield Properties

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Brownfields History in Alabama

Alabama's economic base has historically been rooted in the agricultural, manufacturing, textile and chemical production sectors.

Social and economic shifts have caused many industries to close, leaving communities with abandoned, underutilized, or vacant properties, known as "brownfields".



Brownfields History in Alabama

The majority of these **brownfield** properties have remained stagnant.

As a result of the inactivity of these sites, the tax base for these areas remains low.

The Alabama Land Recycling and Economic Redevelopment Act (ALRERA) was developed to help return these properties to productive use.

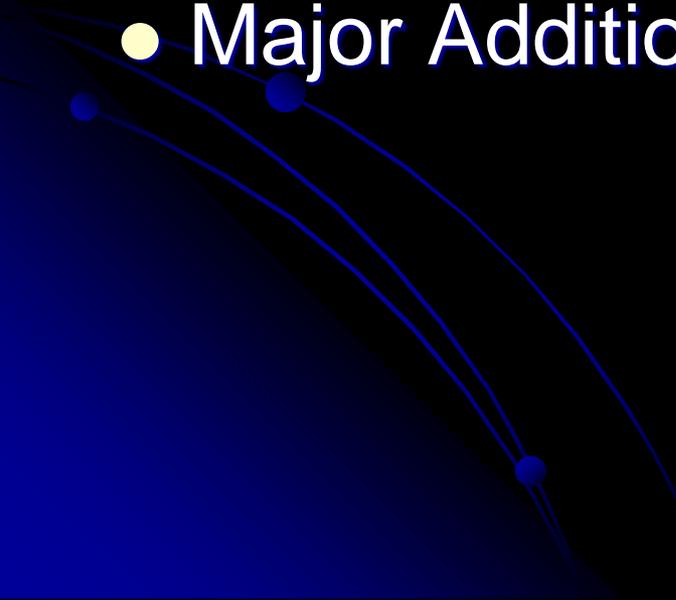


Brownfield Development Tax Abatement Act

- Effective Oct. 1, 2004
- Allows county and municipal governments to provide *substantial* tax incentives as an inducement to recovering land pursuant to Chapter 30E, beginning with Section 22-30E-1, of Title 22, the ***Alabama Land Recycling and Economic Redevelopment Act.***



Brownfield Development Tax Abatement Act

- Any type business activity – not limited
 - Maximum exemption period, up to 20 years for noneducational property tax
 - Local noneducational sales and use tax
 - Major Addition – \$2 Million or 30%
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Brownfield Development Tax Abatement Act

- Who Grants the Abatement?
 - In city limits or police jurisdiction – governing body of the city; however, if county taxes are abated, governing body of county must pass a resolution consenting.
 - In county (not within city limits or police jurisdiction of city) – governing body of the county.



Brownfield Development Tax Abatement Act

- Properties Eligible for Abatement
 - Brownfield Sites covered Under Chapter 30E, beginning with Section 22-30E-1, of Title 22, the Alabama Land Recycling and Economic Redevelopment Act.
 - Voluntary Cleanup Properties Inventory List
 - Established and Maintained by ADEM
 - Probate Clerk's office in each county



For Additional Information Regarding
Brownfield Abatements

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