



HOUSE OF REPRESENTATIVES

ALABAMA STATE HOUSE

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HOUSE APPROVES REP. PAUL LEE'S BILL TO INCENTIVIZE EXISTING INDUSTRIES TO CREATE NEW JOBS

Montgomery – The House of Representatives on Tuesday awarded its approval to the “Alabama Reinvestment and Abatements Act,” a measure sponsored by State Rep. Paul Lee (R – Dothan) and designed to incentivize existing businesses and industries to grow, expand, and create jobs.

The bill is part of the House Republican Caucus’s “Alabama First” legislative agenda and is a priority of Governor Bentley and the Alabama Department of Commerce.

“In the past, Alabama has been generous in offering incentives to attract new industries to locate here, but little has been done to encourage existing businesses to expand,” Lee said. “This bill recognizes that most new jobs are created by existing businesses, and it offers worker training and tax abatements to companies that grow and expand their already established operations in Alabama.”

Lee’s bill, for example, doubles the length of time that property tax abatements can be utilized from 10 years to 20 years, and it offers free training from the state’s nationally recognized AIDT program to new workers who must learn to use industrial equipment at expanding businesses.

Provisions and requirements in House Bill 59 include:

Reinvestment

- Companies that spend \$2,000,000 or more to upgrade, refurbish, or expand their facilities will be allowed tax abatements for the following:
 - 1) all non-educational construction-related transactions,
 - 2) the increased portion of non-educational property taxes due to the project, and
 - 3) the increased portion of utility taxes due to the project for a 10 year period.
- Allows for AIDT worker training for new or current employees to operate new or replacement equipment at no cost to the companies.

Abatements

- Extends state and local non-educational property tax abatements from 10 to 20 years. The extension of local tax abatements must receive the approval of the city council or county commission where the project is located.
- Updates the eligible businesses or business activities that could receive the abatements to reflect consistency with other incentive programs authorized by state law.

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