Alabama Enterprise Zone Program

2022 Annual Report

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I. Introduction

From 1987 to September 2016, the Alabama Enterprise Zone Program (Act No. 87-573) had been an economic development/jobs creation program made available to three (3) cities, and twenty-five (25) counties located throughout the State. The program provides for either State tax credits or tax exemptions to eligible businesses located within these zones. The available credit/exemption is dependent upon the company’s capital investments, individuals employed, or training provided by the company to its employees. The Alabama Department of Economic and Community Affairs (ADECA) coordinates administration, marketing, outreach, certification, and public relations for the program. Additionally, the ADECA is required to provide a detailed annual report to the Alabama Legislature. This report provides an analysis of the program and information about job creation, capital investment within the zones, amount of tax dollars forfeited, and costs to the State per job created within the zones during the program year. Alabama’s Enterprise Zones were located in the following cities and counties through September 30, 2016:

| City of Birmingham | Lawrence County |
| City of Montgomery | Lowndes County |
| City of Prichard | Macon County |
| Barbour County | Mobile County |
| Bullock County | Monroe County |
| Butler County | Perry County |
| Cherokee County | Pickens County |
| Clarke County | Pike County |
| Clay County | Randolph County |
| Covington County | Russell County |
| Dallas County | Sumter County |
| Escambia County | Talladega County |
| Etowah County | Tallapoosa County |
| Jackson County | Wilcox County |

As of October 1, 2016, the definition of an Enterprise Zone changed. The Alabama Jobs Act, #2016-321, states the definition of an Enterprise Zone should be that as described by Section 40-18-376.1(a), Code of Alabama,1975. The Alabama Incentives Modernization Act, Act #2019-392, amended Section 40-18-376.1(a) to describe an Enterprise Zone as any targeted or jumpstart county.
A targeted county means any Alabama county that has a population of 50,000 or less. A jumpstart county means any Alabama county: 1) that does not qualify as a targeted county; 2) that has experienced negative population growth over the last five years; and 3) contains no more than two Opportunity Zones as they existed on June 1, 2019.

Notwithstanding any other agreement or law to the contrary, any eligible businesses that received an approved application from the department prior to October 1, 2016, shall continue to receive those exemptions for the period of time specified in those agreements.

As determined by the Jobs Act, the following forty-five (45) counties qualified as Enterprise Zones in 2022:

- Barbour County
- Bibb County
- Bullock County
- Butler County
- Chambers County
- Cherokee County
- Chilton County
- Choctaw County
- Clarke County
- Clay County
- Cleburne County
- Conecuh County
- Coosa County
- Covington County
- Crenshaw County
- Dale County
- Dallas County
- Escambia County
- Etowah County
- Fayette County
- Franklin County
- Geneva County
- Greene County
- Hale County
- Henry County
- Jackson County
- Lamar County
- Lawrence County
- Lowndes County
- Macon County
- Marengo County
- Marion County
- Monroe County
- Perry County
- Pickens County
- Pike County
- Randolph County
- Russell County
- Sumter County
- Talladega County
- Tallapoosa County
- Walker County
- Washington County
- Wilcox County
- Winston County

There are no longer designated areas within the counties that qualify as an Enterprise Zone. With the passage of the Jobs Act, the entire county is an Enterprise Zone. See lists on pages 3 and 4.
II. 2022 Alabama Enterprise Zone Program Activities

In 2022, the ADECA received several requests for information about the program and tax incentives. Unfortunately, none of these requests translated to applications or endorsements. Therefore, there was no new activity in the Enterprise Zones for 2022. Most of the requests received were from tax firms seeking location verification to claim tax credits for industries located within the Enterprise Zones.

III. Economic Impact of Alabama’s Enterprise Zone Program

Companies located in Alabama’s Enterprise Zones have produced the following economic impacts because of their business activities during the 2022 calendar year.

- Total Capital Investment in 2022: 0
- Number of Taxpayers Claiming the Credit: 0
- Taxes Exempted Through the Program in 2022: $0

Based on records to date, there have been no tax-exempted benefits claimed through Section 5 during the 2022 calendar year.

V. Conclusion

There was no participation in the Alabama Enterprise Zone Program during the 2022 calendar year, thus limiting progress toward achieving the legislative goals of revitalizing distressed areas and increasing employment of area residents. It was expected that the recent changes in legislation together with the ADECA’s assistance would help to improve the economic growth in these counties. So far, that has not been the case.