



# TAX SUMMARY MOBILE, ALABAMA

## BUSINESS PRIVILEGE TAX

SECTIONS 40-14A-21 THROUGH 40-14A-29 OF THE CODE OF ALABAMA

### BASIS

- An annual tax applied to all corporations and limited liability entities that conduct business in the state of Alabama.
- The tax is calculated on net worth plus additions, minus exclusions, times the apportionment factor, less the deductions, which equals taxable net worth.

### RATE

- The rate is based on the ability to pay and is determined by the entity's federal taxable income apportioned to Alabama.
- The rate ranges from \$.25 to \$1.75 for each \$1,000 of net worth in Alabama.
- The minimum privilege tax is \$100, and the maximum privilege tax is \$15,000. The exceptions are for insurance companies, financial institutions, and financial institution groups, which have a maximum tax rate of \$3 million.

At Least	But Less Than	The Tax Rate Shall Be
	\$1	\$0.25 per \$1,000
\$1	\$200,000	\$1.00 per \$1,000
\$200,000	\$500,000	\$1.25 per \$1,000
\$500,000	\$2,500,000	\$1.50 per \$1,000
\$2,500,000		\$1.75 per \$1,000

## CORPORATE INCOME TAX

TITLE 40, CHAPTER 18 AND 27, CODE OF ALABAMA 1975

### BASIS

- The Corporate Income Tax is based on corporation's net taxable income derived from business conducted within the state of Alabama.
- For tax years beginning on or after January 2, 2021, Alabama income is determined by a single sales factor apportionment.

### RATE

- The corporate tax rate is 6.5% of annual net income with a deduction allowed for federal income tax paid or accrued.
- Corporations anticipating a tax liability of \$500 or more must file and pay estimated tax on a quarterly basis by April 15, or by the 15th day of the fourth month of the fiscal year.

# PROPERTY TAX

Sections 40-1-4 through 40-11-4 and 40-21-1 through 40-21-34, Code of Alabama 1975; Amendment 373, Constitution of Alabama of 1901

## BASIS

- All real and personal property is subject to the property tax. The state millage rate on both real and personal property is limited to 6.5 mills, or \$6.50 per \$1,000 of assessed value
- All non-exempt property must be reported between October 1 and December 31 of each year.
- The county where the property is located is responsible for the assessment of the value and collecting the property taxes. Property taxes are paid annually to county tax collectors following an assessment of the value.

## RATE

- Mobile County does have additional property taxes for corporations and entities doing business within the county. In addition, there are millage rates for the different municipalities located within Mobile County. Please refer to the table below for different millage rates for the state of Alabama, Mobile County, and the various municipalities within Mobile County.

MUNICIPALITY	STATE MILLS	COUNTY MILLS	SCHOOL MILLS	LOCAL MILLS	TOTAL MILLS
Bayou La Batre	6.5	20.5	21.5	5.0	53.5
Chickasaw	6.5	20.5	21.5	4.5	53.0
Citronelle	6.5	20.5	21.5	6.5	54.5
Creola	6.5	20.5	21.5	5.0	53.5
Dauphin Island	6.5	20.5	21.5	5.0	53.5
Mt. Vernon	6.5	20.5	21.5	4.5	53.0
Saraland	6.5	20.5	21.5	11.0	59.5
Satsuma	6.5	20.5	21.5	12.5	61.0
Semmes	6.5	20.5	21.5	0.0	48.5
Mobile	6.5	20.5	29.5	7.0	63.5
Prichard	6.5	20.5	29.5	5.0	61.5
Unincorporated	6.5	20.5	21.5	0.0	48.5

# SALES AND USE TAX

SECTIONS 40-23-1 THROUGH 40-23-39, CODE OF ALABAMA 1975

The City of Mobile enacted legislation exempting local sales tax on the sale or sales of specific ships, railroad cars, aircraft and materials, equipment and machinery that become component parts of those items; as well as materials and supplies used in the repair and modification of those items. The use tax rates are the same as sales tax and gross receipts.

## BASIS

- Gross proceeds from sale of all taxable items for consumption or other use to consumer (except as specifically exempted by law) within Alabama and the gross receipts from conducting or operating public places of amusement or entertainment.
- The Alabama Use Tax would be used in a case where the business or individual did not pay tax to the seller during the purchase or the personal property is brought back to the state of Alabama for use, consumption, or storage, and is not for resale purposes. The state portion of the sales and use tax are complementary to each other.

## RATE

Alabama has three types of Sales & Use Tax: general, machinery, and automotive. The applicable rates for the various municipalities in Mobile County are as follows:

# SALES AND USE TAX

## SALES AND USE TAX IN MOBILE COUNTY BY RATE DIFFERENTIALS

	DIFFERENTIAL	SALES TAX %	USE TAX %	RENTAL TAX %
Mobile County	Auto	1.00	1.00	1.00
	Farm	1.50	1.50	0.00
	General	1.50	1.50	1.00
	Mfg. Machine	1.50	1.50	0.00

## SALES AND USE TAX IN MOBILE COUNTY MUNICIPALITIES BY RATE DIFFERENTIALS

MUNICIPALITY	DIFFERENTIAL	SALES TAX %	USE TAX %	RENTAL TAX %
Mobile	Auto	2.25	2.25	5.00
	Farm	2.25	2.25	0.00
	General	5.00	5.00	5.00
	Mfg. Machine	2.25	2.25	0.00
Bayou La Batre	Auto	1.00	1.00	0.00
	Farm	1.00	1.00	0.00
	General	4.50	4.50	0.00
	Mfg. Machine	1.00	1.00	0.00
Chickasaw	Auto	1.50	1.50	4.00
	Farm	1.50	1.50	4.00
	General	4.50	4.50	0.00
	Mfg. Machine	1.50	1.50	0.00
Citronelle	Auto	0.875	0.875	0.00
	Farm	0.875	0.875	0.00
	General	4.50	4.50	0.00
	Mfg. Machine	0.875	0.875	0.00
Creola	Auto	2.00	2.00	0.00
	Farm	2.00	2.00	0.00
	General	4.00	4.00	0.00
	Mfg. Machine	2.00	2.00	0.00
Dauphin Island	Auto	2.00	2.00	0.00
	Farm	4.50	4.50	0.00
	General	4.50	4.50	0.00
	Mfg. Machine	4.50	4.50	0.00
Mt. Vernon	Auto	0.50	0.50	4.00
	Farm	4.00	4.00	0.00
	General	4.00	4.00	4.00
	Mfg. Machine	4.00	4.00	0.00
Saraland	Auto	2.25	2.25	3.00
	Farm	2.25	2.25	0.00
	General	4.50	4.50	3.00
	Mfg. Machine	1.75	1.75	0.00
Satsuma	Auto	2.25	2.50	2.00
	Farm	3.00	3.00	0.00
	General	4.50	4.50	2.00
	Mfg. Machine	3.00	3.00	0.00
Semmes	Auto	2.00	2.00	2.50
	Farm	1.00	1.00	0.00
	General	4.00	4.00	2.50
	Mfg. Machine	1.00	1.00	0.00
Prichard	Auto	0.75	0.75	5.00
	Farm	0.75	0.75	0.00
	General	5.00	5.00	5.00
	Mfg. Machine	0.75	0.75	0.00