"Alabama's auto manufacturing sector is evolving rapidly to capitalize on the EV revolution that is sweeping the industry."

— **Gov. Kay Ivey**, *at a ceremony October 27 announcing plans by Hyundai Mobis to open an EV battery module plant in Montgomery.*

Alabama

Pop. (2022): 5,070,619	**Pop. growth 2022–2027:** 0.21%
Median household income (2022): $56,240	**Median age (2022):** 39.9
Credit Rating: AA / Stable	**Right-to-work state:** Yes

LEGISLATIVE UPDATE

HB 391 lowers the minimum business franchise tax from $100 to $50 beginning the first of the year and exempts small businesses from the tax entirely effective January 2024. Small businesses are expected to be spared some $23 million in tax liability as a result.

Under the Small Business Relief and Revitalization Act of 2022, businesses will be allowed to exempt up to $40,000 of the market value of personal property from state ad valorem taxes. The measure will effectively exempt some 75% of Alabama businesses from the state portion of the tax. The law also is to reduce the estimated sales tax payment burden on certain small businesses by increasing the threshold calculation from $2,500 to $5,000.

SB 17 aims to provide increased protection for critical infrastructure assets such as pipelines, refineries, airports and ports, water treatment facilities and power plants by increasing criminal penalties for threats against them. Committing an attack on any such installation or trespassing against it while in possession of certain weapons can be punishable by up to 10 years in prison.

GDP

27th

GDP Growth Rate Trend

2017 2018 2019 2020 2021

2021 GDP
(in millions of current US$)
$209,979

41st
Business Tax Climate Rank Change 2022–2023: **-2**

23rd
Higher Ed. R&D Expenditure in $000s: **1,187,925**

5th
Number of NCRCs: **319,099** | Percent Improvement 2021–2022: **10.16%**

20th
2022 Workers' Comp Index Rate: **1.38**
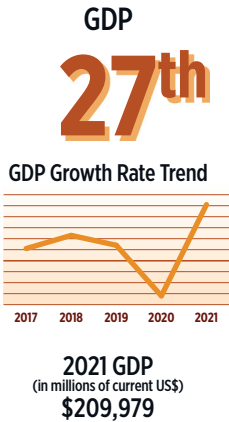
31st
Industrial power cost per kWh: **$9.78**

27th
Total Revenue as Share of Total Expenses, FY 2006-2020: **102.5%**

PROJECT WATCH

Gov. Kay Ivey joined officials of Novelis at a groundbreaking ceremony for the company's new rolling mill in Bay Minette.

Photo courtesy of the Office of Kay Ivey

On October 7 Atlanta-based Novelis launched construction of a $2.5 billion aluminum rolling and recycling plant in Bay Minette, northeast of Mobile. The facility at the 3,000-acre South Alabama Mega Site is to employ 1,000 workers at full production at an average annual salary of $65,000.
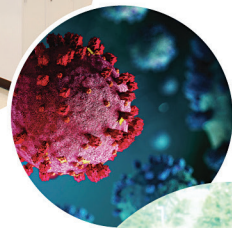
The plant in Baldwin County is to leverage advanced automation and digital technologies including artificial intelligence, augmented reality and robotics. The zero-waste facility is to be powered by renewable energy and use recycled water. It is projected to have an initial annual capacity of 600 kilotons of finished aluminum, primarily for the beverage container market. A recycling center for beverage cans is to increase the company's recycling capacity by 15 billion cans per year.

"Novelis's decision to locate the nation's most technologically advanced aluminum mill in Baldwin County is a powerful testament to both the state's attractive business climate and to the capabilities of our talented manufacturing workforce," said Greg Canfield, secretary of the Alabama Department of Commerce. "The magnitude of this project," Canfield said, "makes it a game-changing development for Alabama's industrial sector and a jobs engine for the region."

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