

HB594 INTRODUCED



1 HB594
2 JPEP5FN-1
3 By Representatives Lawrence, Daniels, Chestnut, Clarke, Lands,
4 McCampbell, Rafferty, England, Drummond, Warren, Travis,
5 Jackson, Tillman, Hendrix, Jones, Bracy, Moore (M), Datcher,
6 Morris, Givan, Sellers, Hall, Hassell, Ensler, McClammy,
7 Hollis, Gray
8 RFD: Ways and Means General Fund
9 First Read: 10-Mar-26



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SYNOPSIS:

This bill would establish the Rural Industry Reshoring and Reinvestment Act that will stimulate economic growth in rural communities by offering strategic incentives to attract manufacturing and supply chain investments, with a focus on reshoring industries previously located outside the United States.

A BILL
TO BE ENTITLED
AN ACT

Relating to commerce; to establish the Rural Industry Reshoring and Reinvestment Act; to provide definitions; to create the Rural Reshoring Tax Credit Program; to create the Rural Industrial Site Development Grant Program; to create the Rural Industrial Site Development Grant Fund; and to designate Rural Industry Opportunity Zones.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. This act shall be known and may be cited as the Rural Industry Reshoring and Reinvestment Act.

Section 2. It is the intent of the Legislature to attract manufacturing and supply chain investment to rural



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29 areas by offering targeted incentives and site development
30 support, with a focus on reshoring industries previously
31 located outside the United States.

32 Section 3. For the purpose of this act, the following
33 terms and phrases have the following meanings:

34 (1) DEPARTMENT. The Alabama Department of Commerce.

35 (2) ELIGIBLE BUSINESS. A manufacturing or logistics
36 company that locates and expands in a designated opportunity
37 zone.

38 (3) RURAL OPPORTUNITY ZONE. A county or jurisdiction
39 with a population below a threshold set by the Alabama
40 Department of Commerce and with economic indicators below the
41 state or national average.

42 Section 4. (a) A refundable income tax credit, known as
43 the Rural Reshoring Tax Credit is created.

44 (b) The income tax credit shall be made available to
45 eligible businesses that create at least 15 full-time jobs
46 with a median wage equal to or greater than the county median.

47 (c) The income tax credit is equal to five percent to
48 qualifying payroll for up to 10 years.

49 (d) The income tax credit is nontransferable and may be
50 carried forward for up to five years.

51 (e) The aggregate amount of income tax credits that may
52 be allocated by the department under this section during a
53 calendar year shall not exceed ten million dollars
54 (\$10,000,000).

55 (f) (1) The income tax credit allowed under this section
56 shall be effective beginning January 1, 2027, for the 2027 tax



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57 year, and shall continue through the 2036 tax year.

58 (2) Notwithstanding the other provisions of this
59 subsection, a business shall not claim this income tax credit
60 for more than 10 tax years.

61 (3) A Supply Chain Localization Bonus of an additional
62 10 percent income tax credit on qualifying investment may be
63 claimed by businesses if the project replaces a previously
64 imported supply chain.

65 (4) The Alabama Department of Revenue may adopt rules
66 for the implementation and administration of this section.

67 Section 5. (a) The Industrial Site Development Grant
68 Fund is established and shall be administered by the
69 department to support infrastructure improvements at rural
70 industrial sites.

71 (b) Grant funds may be used for:

72 (1) Site grading;

73 (2) Roads;

74 (3) Utilities;

75 (4) Broadband; and

76 (5) Environmental permitting.

77 (c) The department shall award grants to local
78 governments, regional development authorities, or economic
79 development nonprofits.

80 Section 6. (a) The department shall award Job Creation
81 Performance Grants of three thousand dollars (\$3,000) per
82 full-time job created in a rural opportunity zone to eligible
83 businesses.

84 (b) The aggregate amount of grants awarded pursuant to



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85 this section shall not exceed ten million dollars
86 (\$10,000,000) in a calendar year.

87 (c) The department, by rule, shall develop application
88 and oversight procedures.

89 Section 7. (a) The department shall designate Rural
90 Industry Opportunity Zones and shall maintain a list of
91 eligible rural areas based on population and economic
92 indicators.

93 (b) The department shall update Rural Industry
94 Opportunity Zones every three years.

95 Section 8. This act shall become effective on January
96 1, 2027.