



Alabama and Tennessee Head Down Opposing Paths

As Alabama Governor Bentley announced plans to enhance his State's incentives programs, the Tennessee Legislature tightened recapture provisions for its own headquarter facilities incentive program.

Alabama's proposal offers companies the ability to retain up to 90% of their employees' withholding until new investment in the state is recovered.

Conversely, Tennessee's Senate Bill 1520 requires recapture, with interest, for failure of companies to meet their previous commitments in the State.

These moves are examples of the disparate reactions of communities to current economic and financial stress. There has been a continued and sustained resurgence of the economic incentive debate. Often, neighboring communities reverse longstanding trends and either roll up or spread out the welcome mat to business.

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