

Dothan Eagle

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Tax rate comparison shows Dothan residents have some of the lowest rates in Alabama

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If you hate paying taxes, move to Dothan.

As part of the city manager's annual state of the city report, the finance department compiles a tax and revenue comparison between Dothan and various cities. Officials look at property and sales tax rates, lodging taxes, garbage and business license fees.

Again, the city finds itself with some of the lowest property taxes in the state, is one of the few municipalities in the state which does not charge for garbage pickup and is comparable or below other cities in other fees and taxes.

"As you can clearly see, as you compare revenue sources, the City of Dothan is much lower than the

Tax rates in Dothan

The city most comparable to Dothan is Decatur. The tax rates compare as follows:

City	Dothan	Decatur
Population	57,737	56,186
Total millage	33	45
School millage	10	22
Sales taxes	9 percent	10 percent
Garbage fee	none	\$8.25 monthly
Lodging tax	10 percent	10 percent
Business license fee	flat rate	flat rate plus percent of gross receipts
Tobacco tax	5 cents per pack of cigarettes	4 cents on all tobacco and 2 cents on cigars

other cities," said Finance Director Angela Palmer. "Dothan is a great place to live because we have lower ad valorem taxes; we don't have an occupational tax, so you don't pay to work here; our lodging tax is much less

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so when we have sports activities, people find it cheaper to stay here; and we don't have a garbage fee."

Palmer said finance workers annually compare the data as part of City Manager Mike West's Capital Improvement Program. Nineteen other cities are looked at, some because they are of comparable size to Dothan, others because they are near Dothan, and others are included as large metropolitan areas.

There are seven cities which have no garbage fees, including Dothan, but all have higher property tax rates than Dothan. For example, Homewood has a millage rate of 75 and Mobile's is 56.5 mills. Birmingham is 41.3. Other cities without garbage fees are Hoover, Mountain Brook and Vestavia Hills, all of which have some of the high-

est property taxes in the state.

Dothan's 33-mill rate was lower than any of the other cities. Neighbors Enterprise and Ozark have millage rates of 43.5 and 50, respectively. Florence and Gadsden are both 49 and Auburn and Opelika are 54. Tuscaloosa is 51.5. Those closest to Dothan are Huntsville (35) and Montgomery (34.5).

The highest sales tax rate among the cities is 10 percent, which is the rate in three cities. Ten other cities share Dothan's 9 percent rate. In Mobile, prepared food is taxed at 10 percent and other goods are taxed at 9 percent.

Dothan is the only city that has a flat-rate business license fee structure. Most have a combination flat rate plus a percentage of gross receipts.

Lodging taxes range from a low of 7 percent in Birmingham, Hoover, and Vestavia Hills, to a high of 14 percent in Homewood and Mountain Brook.