

## ***JASPER, TEXAS*** **BUSINESS CLIMATE**

The Jasper Economic Development Corporation actively pursues new and/or expanding business and industry. We have a well-informed team of individuals from all sectors of the city and county to assist in this endeavor. The Corporation also offers qualified companies a wide range of assistance from demographic and other data to direct loans, grants, and various other financing alternatives.

### **TAX INCENTIVES**

#### City of Jasper Tax Abatement Policy

- (a) Development projects with a value of One Million Dollars or greater shall automatically be eligible to make applications for the City of Jasper's Tax Abatement Program. Development projects of a lesser value, Two Hundred Fifty Thousand dollars or more, shall file a pre-application with the City Manager's office. Pre-application requests will be considered on a case-by-case basis as deemed appropriate by the City Council. Development projects with a value of less than One Million Dollars, but more than Two Hundred Fifty Thousand dollars are subject to reduced benefits as determined by a majority vote of the City Council.
- (b) Tax Abatement requests must be presented in writing to the City Council. All requests must explain why the development project will be unable to proceed without the abatement.
- (c) Tax Abatement may be granted to a new business and/or a new manufacturing facility. Additionally, tax abatement may also be granted for modernization, upgrade, remodeling, renovation or expansion of an existing business and/or existing manufacturing facility.

#### Tax Abatement Formula:

- (a) Construction or Remodeling Period:

One (\$1.00) Dollar per year in lieu of tax for a period of (not to exceed) two (2) years

- (b) Five (5) Year Abatement Period As Follows:

1 <sup>st</sup> year:	70% of value abated
2 <sup>nd</sup> year:	60% of value abated
3 <sup>rd</sup> year:	50% of value abated
4 <sup>th</sup> year:	40% of value abated
5 <sup>th</sup> year:	30% of value abated

County of Jasper Tax Abatement Policy

- (a) A property owner will be eligible for tax abatement if the proposed project has a minimum value of one million dollars or more.
- (b) A property owner shall be eligible for tax abatement under these guidelines if a written application is filled with the County Judge of Jasper County, prior to commencement of work on the property.
- (c) A property owner shall be eligible for tax abatement under these guidelines if the property owner submits to the County Judge of Jasper County, a statement that the project may not be undertaken without tax abatement.
- (d) Full tax abatement may be granted to new businesses and/or manufacturing facilities, and for modernization, replacement, remodeling, or renovating of existing businesses and/or manufacturing facilities.

**Tax Abatement Formula:**

- (a) Construction or Remodeling Period:  
Up to 100% for the construction period but limited to a maximum of two (2) years.
- (b) Five (5) Year Abatement Period As Follows:
  - 1<sup>st</sup> year: 60% of value abated
  - 2<sup>nd</sup> year: 50% of value abated
  - 3<sup>rd</sup> year: 40% of value abated
  - 4<sup>th</sup> year: 30% of value abated
  - 5<sup>th</sup> year: 20% of value abated

**Tax Rate** (per \$100 of appraised value)

City.....	0.2892
County.....	0.6800
School.....	1.3400
Total.....	2.3092

**Sales Tax**

City.....	2.00%
County.....	0.00%



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## **FINANCING**

### **SBA 504 Program**

This program provides fixed assets financing at below-market fixed rates of interest. The loan may be used to acquire land, construct buildings, purchase land, buildings, machinery and equipment. The 504 loan is coordinated between the SBA and private lender with the lender covering 50% of the project cost and the SBA 40% and the borrower 10%. The maximum participation by the SBA is \$1 million.

### **SBA 7(a) Program**

This program provides loans to small businesses unable to secure financing on reasonable terms through normal lending channels. It operates through private-sector lenders that provide loans which are guaranteed by the SBA. The maximum the SBA can guarantee is generally \$750,000.

### **SBA Low Doc Program**

Designed to simplify the SBA application process and shorten the processing time for smaller loans. To be eligible, a business must have 100 or fewer employees; and annual sales for the past three years must be less than \$5 million. The maximum loan amount is \$150,000. The program allows the SBA to guarantee up to 80% for loans up to \$100,000 and up to 75% for loans over \$100,000 up to \$150,000.

### **Texas Capital Fund Infrastructure Program**

The Texas Capital Fund Infrastructure Program is designed to provide financial resources to non-entitlement communities. Funds from this program can be utilized for public infrastructure needed to assist a business which commits to create and/or retain permanent jobs, primarily for low and moderate income persons. The minimum award is \$450,000 and the maximum is \$750,000. The award may not exceed fifty percent of the total project.

### **Texas Capital Fund Real Estate Development Program**

This program provides funding to non-entitlement communities to construct, acquire, or rehabilitate real estate so that it may be leased to company that commits to create and/or retain permanent jobs, primarily for low to moderate income persons. Awards range from \$50,000 to \$750,000 and may not exceed 50 percent of the total project cost. Funds are provided with no interest accruing and with payments based on a 20-year amortization schedule. Total Texas Capital Fund participation from both programs may not exceed \$750,000.

## **BANK AND LENDING INSTITUTIONS**

Texas State Bank  
660 S. Wheeler  
Jasper, Texas 75951  
(409) 384-5406

First Bank & Trust East Texas  
204 E. Lamar  
Jasper, Texas 75951  
(409) 384-2555

Texas State Bank  
Wal-Mart Branch  
800 W. Gibson  
Jasper, Texas 75951  
(409) 384-5406

Jasper Banking Center  
637 S. Wheeler  
Jasper, Texas 75951  
(409) 383-0999

First National Bank  
301 E. Houston  
Jasper, Texas 75951  
(409) 384-3486

Mobil Oil Federal Credit Union  
2014 S. Wheeler, Suite 100  
Jasper, Texas 75951  
(409) 383-1111

## **TAXES**

### **Income Tax**

Texas is one of only four states which does not have a corporate profits tax, a personal income tax or a state property tax (the others are Nevada, Washington and Wyoming).

### **Sales Tax**

A 6.25 percent state sales tax is levied on the gross selling price of taxable items. Consumer commodities such as food and prescription medicine are exempt from this tax.

Local governments may levy additional sales tax with voter approval. Communities in Southeast Texas have added 1 to 2 percent local sales tax. The City of Jasper levies a 2% local sales tax, ½% specifically dedicated to Economic Development. Exemptions from the sales tax are provided for retail sales shipped out of state and several other categories of items. The list of exemptions is available from the Texas Department of Economic Development. A companion use tax is imposed on the storage of use of taxable items purchased, leased, or rented on which the sales tax has not been paid. No state or local sales tax will be charged on manufacturing equipment.

### **Property Tax**

The State does not levy a property tax. Cities, counties, school districts and other local entities levy a property tax on real and tangible personal property. Property is taxed in the place on which it is located on January 1 of each year. Goods passing through the state or held in the state for less than 175 days are exempt from property taxation.