



## 2011 STATE INCENTIVES RESOURCE GUIDE

### Northeast

Connecticut  
Delaware  
Maine  
Maryland  
Massachusetts  
New Hampshire  
New Jersey  
New York  
Pennsylvania  
Rhode Island  
Vermont

### Midwest

Illinois  
Indiana  
Iowa  
Kansas  
Kentucky  
Michigan  
Minnesota  
Missouri  
Montana  
Nebraska  
North Dakota  
Ohio  
South Dakota  
Wisconsin

### South

Alabama  
Arkansas  
Florida  
Georgia  
Louisiana  
Mississippi  
North Carolina  
Oklahoma  
South Carolina  
Tennessee  
Texas  
Virginia  
West Virginia

### West

Arizona  
California  
Colorado  
Idaho  
Nevada  
New Mexico  
Oregon  
Utah  
Washington  
Wyoming

**THE BLS 2011 STATE INCENTIVES RESOURCE GUIDE** is intended to provide a detailed summary of the primary and most valuable state and local economic development incentives offered throughout the U.S to help companies evaluate whether incentives can play a meaningful role in their real estate decision making process. As specific opportunities arise, including relocations, expansions, consolidations, etc, BLS recommends a more detailed project specific evaluation of the potential value incentives may add.

## THE COMPETITIVE LANDSCAPE FOR INCENTIVES

**ECONOMIC DEVELOPMENT INCENTIVES** are investments made by state and local governments to influence corporate decisions on the location of jobs and investment, to create or enhance the feasibility of a private sector project that helps to achieve a community's economic goals. While in rare instances incentives are the primary drivers that determine if a project will go forward, they are more often part of a broad set of location factors and are intended to help reduce the costs and financial risks to the company thereby improving ROI.

The decisive variables in most decisions include location, labor and business climate. Once a company has narrowed its choices to a short list of locations in which it can successfully operate, then incentives can become the 'last variable' to financially differentiate among finalists.

**CHALLENGING ECONOMIC CONDITIONS** make incentives a key factor in location decisions.

- Unable to increase revenue, companies are under continuing pressure to manage earnings by cutting costs.
- Global competition intensifies pressure to deliver projects at lowest cost.
- New or expanded projects have high hurdle rates. Incentives mitigate costs, improve ROI, shorten pay-back periods and manage business risk.

**A BEST PRACTICES APPROACH** to incentives should be multi-tiered, and include a strategy to systemically capture the more modest incentives opportunity that may be imbedded in smaller transactions, which can amount to significant savings across an active portfolio over a period of time.

**INCENTIVES REGULATION EVOLVING.** States and communities continue to strengthen their agreements to ensure they will receive expected economic development benefits in consideration for incentives, leading to increased incentives monitoring and regulatory requirements.

**WE ARE BIGGINS LACY SHAPIRO & COMPANY, LLC.** For more than 25 years, we have provided professional expertise and creativity in the field of Location Economics: the mix of specialized disciplines that enables companies to plan and execute successful location strategies. We create value on both the demand and supply side of the market for corporate location decisions.

We help companies offset the high costs of a wide range of location decisions with high-value incentives strategies, helping to reduce costs and manage risks associated with opening new facilities, relocating operations, acquiring undervalued businesses, or consolidating and closing existing operations.

We work with corporate clients, in cooperation with their real estate advisors, to optimize the economics of location decisions involving both individual projects and overall portfolios of diverse properties.

Our professionals evaluate financial and operational location variables, manage the regulatory challenges to economic development and negotiate incentives which can make a difference in the financial performance of our clients' projects.

Our strategic evaluations provide companies with the information for making smart location decisions and enable states, cities and holders of surplus properties to position their locations to compete for corporate investment.

BLS & CO. provides the full range of services required to plan and execute incentives transactions, from initial evaluation of potential inducements, through structuring of incentives transactions, negotiation of documentation and the administration and claiming of benefits.

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### **OUR OTHER SERVICES:**

Site Selection | Land Use Planning | Economic Development | Energy Services

## BUSINESS TAX SNAPSHOT

Corporate Income Tax: 7.5%

Sales Tax: 6%

Property tax: \$2,381 per Capita

### TAX CREDITS

**First Five Program:** Newly enacted program provides for a special enhancement of financial assistance programs to a limited number of businesses (five) in years 2012 and 2013 ; permitting the state to combine several existing tax credits (otherwise mutually exclusive) to reward the first five eligible companies. To be eligible, the project must commit to either 1) creating 200+ new full-time jobs within two years or 2) investing \$25+ million and creating 200+ jobs within five years. The First Five Program would eliminate certain caps and thresholds of the current economic development programs.

**Urban Reinvestment Tax Credit (URA):** Primary incentive tool used by the State for projects making a minimum investment of \$5 Million. Provides tax credits of up to 100% of investments (maximum award of \$100 million) for projects located within certain eligible urban areas that result in job creation. The credit award is discretionary and is disbursed over a 10-year schedule. Unused credits can be carried forward or transferred/sold to other CT taxpayers. URA tax credits cannot be combined with Job Creation Tax Credit.

**Job Creation Tax Credit:** The State has the discretionary authority to provide a tax credit equal to a percentage of the personal income tax withholding's associated with new job creation. The credit is up to 60% for up to five years and cannot be carried forward or transferred.

### TAX EXEMPTIONS

**Sales Tax Exemption:** The State has the authority to provide an exemption from sales tax on the purchase of construction materials and furniture, fixtures and equipment for projects resulting in high levels of capital investment and job creation or retention.

### SPECIAL ZONING

**Enterprise Zone:** Projects located within an Enterprise Zone, or within a community which contains a zone, may be eligible for a five-year tax abatement on real and personal property and 10-year tax credit equal to a portion of the corporation business tax that is directly attributable to a business relocation, expansion or renovation project.

**Low-Interest/Forgivable Loan:** Loans are available at below market rates. The State also has the discretion to forgive a portion of the loan principal (convert to a grant) if certain minimum employment and investment thresholds are achieved.

### GRANTS

**Grants:** The state may provide grants to cover relocation, machinery, equipment and construction costs.

### LOCAL INCENTIVES

Municipalities in Connecticut have the discretionary authority to provide certain incentives including property tax abatements.

## BUSINESS TAX SNAPSHOT

**Corporate Income Tax:** 8.7%

**Sales Tax:** 1.92%

**Property tax:** \$695 per Capita

**GRANTS** **Delaware Strategic Fund:** The state has the discretionary authority to provide financial assistance in the form of low interest loans, grants, or other creative instruments to support the attraction of businesses that pay sustainable wages. Assistance terms are negotiated specific to each firm's individual needs and situation.

**TAX CREDITS** **Corporate Income Tax Credits (Targeted Industry & Targeted Areas):** Firms within targeted industries qualify for corporate income tax credits of \$400 for each new employee and \$400 for each new \$100,000 investment. Firms within targeted industries who also locate in a targeted area qualify for \$650 for each new employee and \$650 for each new \$100,000 investment. Firms must invest a minimum of \$200,000 and create a minimum of five new positions.

**Research and Development Tax Credit:** Provides for up to \$5 million in R&D tax credits for qualified research and development expenses in a taxable year. The credit is equal to (a) 10% of the excess of the taxpayer's total qualified research and development over its base amount, or (b) 50% of Delaware's apportioned share of the taxpayer's federal research and development tax credits, with modifications. In no year may the Delaware research and development tax credits exceed 50% of tax liability. Unused credits may be carried forward.

**New Economy Jobs Program:** Designed to provide an innovative tool to bring high-wage jobs to Delaware and make the state more competitive. The legislation provides businesses up to a 65% rebate on withholding taxes. To qualify, an employer must add at least 50 net new jobs for new Delaware taxpayers with each having an annual salary of at least \$100,000.

**Public Utility Tax Rebates:** Firms meeting the criteria for targeted industry tax credits are eligible for a rebate of 50% of the public utilities tax imposed on new or increased consumption of gas and electricity for five years. The public utilities tax rate is 4.25%. The utility tax on the consumption of electric by licensed manufacturers and food or agribusiness processors is reduced from 4.25% to 2%. Additionally, electric consumed in the manufacturing of automobiles is exempt from the utility tax.

## BUSINESS TAX SNAPSHOT

Corporate Income Tax: <8.9%

Sales Tax: 5%

Property tax: \$1,636 per Capita

### TAX CREDITS

**Employment Tax Increment Financing:** For-profit, non-retail, non-utility businesses adding a minimum of five net new Maine jobs within a two-year period, may be eligible for Maine's Employment Tax Increment Financing. Under the ETIF program, businesses are eligible to receive a reimbursement of up to 80% of their new employees' Maine income tax withholding's for up to 10 years.

### SPECIAL ZONING

**Pine Tree Development Zones:** Targeted industries locating in one of the state's Pine Tree Development Zones may be eligible to receive Tax Credits, Tax Reimbursements, and Rate Reductions. This program works with existing programs and enhances them for specific businesses that fit particular economic and geographic criteria. Depending on the county, tax credits may last between five and ten years.

### TRAINING PROGRAMS

**Governor's Training Initiative:** Provides training assistance for employers paying at least 85% the average wage in the occupation. Develops and coordinates training for firms intending to expand or locate in Maine, reorganize a workplace to remain competitive, or upgrade worker skills.

### TAX EXEMPTIONS

**Sales Tax Exemptions:** Sales of machinery and equipment used by the purchaser directly and primarily in the production of tangible personal property for later sale or use, items consumed or destroyed directly or primarily in production, and repair and replacement parts for qualified production equipment may be exempt from Sales Tax.

## BUSINESS TAX SNAPSHOT

Corporate Income Tax: 8.25%

Sales Tax: 6%

Property tax: \$1,171 per Capita

### TAX CREDITS

**Job Creation Tax Credit (JCTC):** Tax credit of up to \$1,500 per job for new, full-time jobs. To qualify, businesses must create 60 new, full-time jobs during a 24-month period (25 new full-time jobs if locating or expanding in a Priority Funding Area). Unused credit may be carried forward for five years following the credit year.

**One Maryland Tax Credit:** Tax credits of up to \$5 Million for projects making significant capital investments and creating new jobs. Credits are fully refundable. Projects must be located in a “distressed” county.

**Research and Development Tax Credit:** Provides businesses with R&D tax credits that incur qualified research and development expenses. The Basic R&D tax credit is 3% of eligible R&D expenses that exceed the firms average R&D expenses over the last four years. The Growth R&D tax credit is 10% of eligible R&D expenses that exceed the firms average R&D expenses over the last four years.

### SPECIAL ZONING

**Enterprise Zone:** Businesses locating in a Maryland Enterprise Zone may be eligible for income tax and real property tax credits in return for job creation and investments. Businesses located in one of three focus areas are also eligible for personal property tax credits.

### FORGIVABLE LOAN

State has the authority to provide low-interest financing. The State also has the ability to forgive a portion of the principal if certain employment and investment conditions are achieved.

### TRAINING PROGRAMS

**Maryland Industrial Training Program (MITP):** Provides grants to reimburse companies for costs associated with new workforce development and training activities. This program is to retain or assist in the expansion of existing industries.

### GRANTS

**Grants/Closing Fund:** The Maryland Economic Development Assistance and Authority Fund (MEDAAF) provides loans and grants to businesses and local jurisdictions. Major economic development projects may receive loans of up to \$10 million dollars while local municipalities may receive up to \$5 million in loans or \$2 million in conditional loans and grants to assist new or expanding businesses.

### LOCAL INCENTIVES

Counties and municipalities in Maryland have the authority to provide certain incentives including property tax abatements, grants and revolving loans.

**BUSINESS TAX SNAPSHOT****Corporate Income Tax:** 8.8%**Sales Tax:** 6.25%**Property tax:** \$1,789 per Capita

**TAX CREDITS** **The Economic Development Incentive Program (EDIP):** Projects meeting certain employment and/or location criteria can qualify for a tax credit of up to 10% of new investment. Manufacturing projects creating at least 100 new jobs can qualify for a 40% credit (refundable).

**Massachusetts Investment Tax Credit (ITC):** Provides manufacturers, certain R&D corporations and corporations engaged primarily in agriculture or commercial fishing with a 3% credit against their corporate excise tax.

**Research and Development Tax Credit:** Provides qualifying companies a tax credit equal to 10% for Qualified Expenses defined as any research expense incurred which would qualify for the Federal R&D tax credit and a Basic Research Payments Credit. The credit can be taken in conjunction with the state's Investment Tax Credit or Economic Development Incentive Program. Unlike some of the other credits, the R&D tax credit may reduce the corporation's tax to the minimum tax of \$456. Unused credits can be carried forward for at least 15 years.

**GRANTS** **Job Creation Incentive Program:** Biotechnology and medical device manufacturing companies are eligible to receive incentive payments for new job creation. To qualify, the company must create 10 or more eligible jobs during a single calendar year to be entitled to an incentive payment equal to 50% of the eligible jobs' salary multiplied by the applicable income tax rate of the newly hired persons.

**LOCAL INCENTIVES** **Tax Increment Financing (TIF):** Municipalities have the authority to grant tax abatements for up to 20 years.

**TAX EXEMPTIONS** **Sales & Use Tax Exemptions:** All machinery, replacement parts, and materials used by manufacturing and R&D corporations in research and development are exempt.



**BUSINESS TAX SNAPSHOT****Corporate Income Tax:** <8.5%**Sales Tax:** None**Property tax:** \$2,317 per Capita**TAX CREDITS**

**Economic Revitalization Zone Tax Credits (ERZ Tax Credit) Program:** Provides qualifying new and existing businesses tax incentives for projects that meet certain state economic objectives, such as stimulating economic redevelopment, expanding the commercial and industrial base, creating new jobs, reducing sprawl, and increasing tax revenue. The tax credit can be used against the Business Profits Tax and Business Enterprise Tax for up to 100% of the investment.

**TRAINING PROGRAMS**

**Job Training Fund:** Private businesses located in New Hampshire and businesses intending to locate in the State, and who elect to pay into the unemployment trust fund are eligible for the Job Training Fund. Training programs may include, but shall not be limited to: structured, on-site laboratory or classroom training; basic skills; technical skills; quality improvement; safety; management and supervision; English as a Second Language. Training funds are distributed on a cost-reimbursement basis. A minimum 1:1 cash match is required.

**SPECIAL ZONING**

**Coos County Job Creation Tax Credit:** The credit is granted to businesses for each new, full-time, year-round employee hired in Coos County for which actual wages paid, including the amount paid by the employer for medical and dental benefits, equals or exceeds 150% of the current state minimum wage. The amount of the credit is based upon the proportion that the wage for the new employee exceeds the minimum wage. If the proportion of the wage for the new employee is equal to or greater than 150% of the minimum wage but not less than 200% of the minimum wage, the amount of the credit shall be \$750. If the proportion of the wage for the new employee is equal to or greater than 200% of the minimum wage, the amount of the credit shall be \$1,000.00.

## BUSINESS TAX SNAPSHOT

Corporate Income Tax: 9%

Sales Tax: 7%

Property tax: \$2,625 per Capita

**GRANTS** **Business Employment Incentive Program (BEIP):** The State has the discretionary authority to provide annual cash grants to projects relocating or hiring new jobs in the State. The grants are calculated as a percentage of the net increase in personal income taxes associated with the new employment, with a maximum aggregate grant of \$50,000 per job over 10 years.

*\*Primary tool for attracting new businesses.*

**Business Retention and Relocation Assistance Grant (BRRAG):** Recently amended by the State Legislature, the BRRAG provides a one time state corporate income tax credit to companies relocating from one location to another in New Jersey or making capital investment equal to the value of the tax credits. Tax credit increases with the scale of the jobs (maximum credit is \$13,500 per employee).

*\*Primary tool for retention of current businesses.*

**Customized Training:** The State can provide grants to reimburse up to 50% of the cost of employee training.

**TAX CREDITS** **Economic Redevelopment & Growth Grant (ERGG):** Provides tax-increment financing to close demonstrable financing gaps and competitive cost gaps between NJ and alternative locations. The program enables the State or municipality to provide grants through a partial rebate of certain future flows of incremental taxes generated by a new project – e.g, corporate income tax, sales taxes, etc.

**Urban Transit Hub Tax Credit (UTHTC):** Allows the state to award corporate income tax credits to projects involving new construction or large-scale renovation where the capital investment exceeds \$50,000,000. The project must be located within one of the statutorily designated cities (including Newark and Jersey City), and within one-half mile of a designated transit hub or a site served by rail. The tax credits are equal to up to 100% of the amount of the qualifying investment for corporate projects and 20% for residential projects.

**SPECIAL ZONING** **Urban Enterprise Zone (UEZ):** Projects located in one of the State's 17 Urban Enterprise Zones (including Newark and Jersey City), are eligible to receive certain tax incentives, including an exemption from sales tax on construction materials, FFE and other taxable purchases.

**LOCAL INCENTIVES** Municipalities in New Jersey have the discretionary authority to provide certain incentives including property tax abatements, grants and low-interest financing. Municipalities also have the authority to participate in the Economic Redevelopment & Growth Grant program by pledging certain local tax revenue.

## BUSINESS TAX SNAPSHOT

Corporate Income Tax: 7.1%

Sales Tax: 4%

Property tax: \$2,009 per Capita

**GRANTS** **Capital Grant:** State has provided cash grants to projects resulting in net job creation. Grants range based on location and quality of employment.

**TAX CREDITS** **Excelsior Jobs Program (replaces the Empire Zone Program):** Newly enhanced program provides job creation and investment incentives to companies in select industries. This program is comprised of four incentives; 1) Jobs Tax Credit equal to a percentage of new wages for up to 10 years. 2) Investment Tax Credit provides for up to 2% of total qualified investments; 3) Research & Development Tax Credit and 4) Real Property Tax Credit over a 10 year period. All tax credits are fully refundable.

**Research and Development Tax Credit:** Investments in research and development facilities are eligible for a 9% corporate tax credit. Additional credits are available to encourage the creation and expansion of emerging technology businesses, including a three-year job creation credit of \$1,000 per employee and a capital credit for investments in emerging technologies.

**Investment Tax Credit (ITC):** Businesses that create new jobs and make new investments in production property and equipment may qualify for tax credits of up to 10% of their eligible investment. New businesses may elect to receive a refund of certain credits, and all unused credits can be carried forward for 15 years.

**UTILITY DISCOUNT** **Recharging New York:** Newly enhanced Power for Jobs Program provides low cost power to manufacturers that create or retain jobs, for up to seven years.

**TAX EXEMPTIONS** **Sales Tax Exemptions:** New York State offers exemptions for purchases of production machinery and equipment, research and development property, and fuels/utilities used in manufacturing and R&D. Other exemptions may be available through local Industrial Development Agencies (IDA.)

**LOCAL INCENTIVES** To encourage development, expansion, and improvement of commercial property, many municipalities offer a 10-year property tax abatement to offset increased assessments due to improvements to business and commercial property.

## BUSINESS TAX SNAPSHOT

Corporate Income Tax: 9.9%

Sales Tax: 6%

Property tax: \$1,239 per Capita

### TAX CREDITS

**Job Creation Tax Credit:** Provides tax credits against State corporate income tax equal to \$1,000 per newly created job (state has the authority to enhance). To qualify, companies must create at least 25 new jobs or expand the existing workforce by at least 20%. Credits can be carried forward five years.

### GRANTS

**Opportunity Grant Program:** The state has the authority to provide discretionary grant funds to businesses that locate, expand, or maintain operations at a site in Pennsylvania and invest capital and create or retain jobs at the site; with the intent of closing a competitive gap with out-of-state alternatives. Grants may be used for project costs including job training; construction or rehabilitation of infrastructure; acquisition of land, buildings, etc.

### TRAINING PROGRAM

**Customized Job Training:** Discretionary grant to reimburse training expenditures equal to up to 75% of eligible costs incurred. Typical cost include instructional costs; supplies; consumable materials; contracted services; relevant travel costs for local education agency project coordinators.

### SPECIAL ZONING

**Keystone Opportunity Zone:** The KOZ eliminates specific state and local taxes within specific underdeveloped and under utilized areas. There are binding ordinances and resolutions passed granting the waiver, abatement or exemption of certain state and local taxes. The tax burden may be reduced to zero. State and local exemptions apply to all sales of services or tangible personal property (other than motor vehicles) to a business, for the exclusive use by the business at its facility.

### TAX EXEMPTIONS

Municipalities in Pennsylvania have the authority to provide additional incentives including a 10-year tax abatement.

### LOCAL INCENTIVES

**Sales & Use Tax Exemptions:** Purchases of materials to be consumed in manufacturing or those to be used directly in manufacturing (e.g., equipment, raw materials, etc.) are exempt.

### PROPOSED BUT NOT APPROVED

**Pennsylvania First Program:** Would combine three existing programs - Opportunity Grant program, Customized Job Training and Infrastructure Development Program - to streamline financing options for capital improvement costs, job training and infrastructure projects; The goal of PA First is to be more flexible and responsive by eliminating existing restrictions and limitations.

**Liberty Loan Fund:** Would consolidate six existing authorities and their respective funds, streamlining into one application process to be overseen by an authority of 15 board members. This Fund would combine the Commonwealth Financing Authority, Pennsylvania Industrial Authority, Machinery and Equipment Loan Fund, Pennsylvania Minority Business Development Fund, remaining Tobacco Settlement Fund investments and the Small Business First Fund.

## BUSINESS TAX SNAPSHOT

Corporate Income Tax: 9%

Sales Tax: 7%

Property tax: \$1,957 per Capita

### TAX REDUCTION

**Jobs Development Act (Corporate Income Tax Reduction for Job Creation):** Provides companies with an incremental reduction in the corporate income tax rate based on the creation of new employment over a three-year period (10 new jobs for companies with a baseline employment below 100 and 50 new jobs for companies with baseline employment above 100). The corporate income tax may be reduced to as low as 3%.

### SPECIAL ZONING

**Enterprise Zones:** Any certified business facility within a state-designated Enterprise Zone or a Federally-designated Enterprise Community in Rhode Island may qualify for certain tax incentives including Business Tax Credits and Business Owner Modification.

### TRAINING PROGRAMS

**Job Training Tax Credit:** Provides companies with a tax credit against the corporate income tax (or the insurance premium tax) equal to 50% of eligible training expenditures for new or existing employees. Employees must be full-time and earn at least 150% of the RI minimum wage. Training plans must be filed with the Rhode Island Human Resources Investment Council for prior written approval. The credit is capped at \$5,000 per employee over a three-year period.

**Job Training Grants:** The Rhode Island Human Resources Investment Council offers a training program for business and industry funded through a job development assessment of 0.21% on the firm's taxable payroll. This pool of money is available for industry to create customized training programs tailored specifically for a company and free from income and other restrictions imposed by federally-funded programs.

### TAX CREDITS

**Manufacturing Investment Tax Credit:** Manufacturers may receive a 4% tax credit against the RI corporate income tax or business personal property tax. Unused credits can be carried forward for up to seven years.

### TAX EXEMPTIONS

**Sales Tax Exemption:** Sales, storage, use, or other consumption of tools, dies, and molds, and machinery and equipment (including replacement parts), and related items to the extent used in an industrial plant in connection with the actual manufacture, conversion, or processing of tangible personal property are exempt from sales tax.

## BUSINESS TAX SNAPSHOT

Corporate Income Tax: <8.5%

Sales Tax: 6%

Property tax: \$1,896 per Capita

**TAX CREDITS** **Tax Stabilization and Property Tax Allocation Program:** The state has the discretionary authority to provide additional property tax relief, earned and installments paid only if targets are met and maintained. The program is statutory, but it is the discretion of the Vermont Economic Progress Council who determines if the company meets the requirements.

**GRANT** **Vermont Employment Growth Incentive (VEGI):** Provides a grant, based on the revenue return generated to the State based on qualifying job and payroll creation and capital investments. Certain performance targets must be met.

**TRAINING PROGRAMS** **The Vermont Training Program:** The state offers three training initiatives: new employment, upgrade, and crossover training for incumbent workers, providing funds to train employees in new and existing businesses in Manufacturing, Information Technology, Healthcare, Telecommunication, and Environmental Engineering. Training programs may include on-the-job, classroom, skill upgrade, or other specialized training which are mutually agreed upon between the state and employer.

## BUSINESS TAX SNAPSHOT

Corporate Income Tax: 9.5%

Sales Tax: 6.25%

Property tax: \$1,662 per Capita



**GRANTS** **Large Business Development Program (LBDP):** Grants are available for major expansion or relocation projects that create and/or retain a large number of jobs. The funds may be used for bondable business activities, including financing the purchase of land or buildings, building construction or renovation, and certain types of machinery and equipment.

**Employer Training Investment Program (ETIP):** The state can provide grants which can reimburse new or expanding companies for up to 50% of the cost of training their employees.

**TAX CREDITS** **Economic Development For a Growing Economy Tax Credit Program (EDGE):** Provides non-refundable tax credit against corporate income taxes over a period of up to 10 years, equal to a percentage of the new personal tax withholding's generated by the new jobs. To qualify, the company must make an investment of at least \$5 million in capital improvements and create a minimum of 25 new full-time jobs.

**SPECIAL ZONING** **Enterprise Zone Program:** Business locating in one of Illinois' dedicated Enterprise Zones may qualify for certain incentives including sales tax exemption, an investment tax credit of .5% of qualified property, a state utility tax exemption on gas, electricity and telecommunication, a Jobs Tax Credit for each job created in the zone as well as other incentives.

**TAX EXEMPTIONS** **Property Tax Exemptions:** All personal property of businesses; inventories, machinery, and intangibles are exempt.

**High Impact Business (HIB):** The state has the authority to provide an array of tax credits and tax exemptions to stimulate large-scale economic development projects. The company must make an investment of at least \$12 million in capital improvements and create a minimum of 500 full-time jobs or an investment of \$30 million causing the retention of 1,500 full-time jobs.

**LOCAL INCENTIVES** Municipalities or local governments have the authority to provide certain incentives including property tax abatements and Tax Incremental Financing.

## BUSINESS TAX SNAPSHOT

Corporate Income Tax: 8.5%

Sales Tax: 7%

Property tax: \$1,089 per Capita



### TAX CREDITS

**Economic Development for a Growing Economy Program (EDGE):** A refundable tax credit is available to companies that create new or retain existing jobs in Indiana. Tax credits are calculated as a percentage of personal tax withholding for net new Indiana jobs, for up to 10 years. If EDGE is used to retain jobs, the wages for those jobs must be above average.

**Hoosier Business Investment Tax Credit Program:** Provides tax credit against a company's tax liability, based on a company's qualified capital investment. The final credit amount is determined by the Indiana Economic Development Corporation, with a credit award up to 10% of the qualified capital investment that may be carried forward for nine years.

**Headquarters Relocation Tax Credit:** Companies relocating their headquarters to Indiana resulting in a minimum of 75 jobs are eligible for a tax credit equal to 50% of its cost of relocating.

### TRAINING PROGRAMS

**Customized Training:** Provides special funds for training new and existing Indiana-resident workers. The Skills Enhancement Fund (SEF) reimburses eligible training expenses for a two year-term. Companies may reapply for additional SEF funds after their initial two-year term. The State also has the discretionary funds to reimburse – up to \$200,000 – for retraining existing workers. Separate supplemental grant awards may be available for training new employees.

### LOCAL INCENTIVES

Municipalities in Indiana have the discretionary authority to provide certain incentives including property tax abatements, grants and low-interest financing.

### LOW INTEREST FINANCING

The state and local entities have the authority to provide **Private Activity Bonds** also called Industrial Revenue Bonds (IRBs) or Industrial Development Bonds (IDBs), generally exempt from federal income taxes for investors.

### TAX EXEMPTIONS

**Sales & Use Tax Exemptions:** Manufacturing raw materials, equipment, power, electricity & utilities; wholesale sales items used in production; sales made in interstate commerce; and research and development equipment are exempt from sales and use tax.



## BUSINESS TAX SNAPSHOT

Corporate Income Tax: <12%  
Sales Tax: 6%  
Property tax: \$1,245 per Capita



IOWA

### TAX CREDITS

**High Quality Jobs Creation Program (HQJCP):** Provides tax credits and exemptions to off-set the cost incurred to locate, expand or modernize a facility. Some of the incentives include a local property tax exemption of up to 100% of the value added to the property and an investment tax credit equal to a percentage of the qualifying investment.

**New Jobs and Income Program:** Provides corporate income tax credits equal to 6% of the state unemployment insurance taxable wage base to businesses increasing their workforce by at least 10%. The maximum amount per employee is \$1,422 and unused tax credits may be carried forward up to 10 years.

**Research and Development Tax Credit:** Provides R&D tax credits equal to 6.5% of the company's allotted share of qualifying research expenditures in Iowa for increasing research activities within the state.

### GRANTS

**New Jobs Training Program:** Provides reimbursement grants to new or expanding companies for some of the cost of training their employees.

### SPECIAL ZONING

**Enterprise Zone Program:** Businesses located or expanding in the zone may be eligible for certain incentives including property tax exemptions on land and buildings; an investment tax credit (up to 10% against state corporate income taxes); refunds of sales, services, or use taxes paid to contractors during construction; R&D activities credit (up to 13% against corporate income taxes); and double the usual income tax withholding increment to use for job training.

### LOCAL INCENTIVES

Municipalities have the discretionary authority to provide certain incentives including property tax abatements. The increase in assessed value due to new construction, rehabilitation or renovation may be left untaxed for a term set by local ordinance. Municipalities also have the authority to provide **Tax Increment Financing**, designed to finance the public costs associated with a private development project. The property tax increases resulting from a development will be targeted to repay the public investment required by a project.

## BUSINESS TAX SNAPSHOT

Corporate Income Tax: <7%

Sales Tax: 5.3%

Property tax: \$1,323 per Capita



### TAX CREDITS

**Promoting Employment Across Kansas (PEAK):** Provides qualified companies relocating jobs to Kansas the ability to retain 95% of the payroll withholding tax of the relocated jobs over a period of five or more years. Companies must create 10+ new jobs within two years in metropolitan areas or five new jobs within two years in all other counties of the state. High-impact projects that create 100 new jobs within five years can retain 95% of payroll withholding tax for seven to ten years.

**Reinvestment Tax Credit:** Provides a 1% corporate income tax credit on the qualified capital investment of an eligible company. Companies that operate an eligible business, pay above-average wages and invest in employee training may be eligible to increase the credit to 10%.

**Research Tax Credit:** Kansas offers an income tax credit equal to 6.5% of a company's investment in research and development above an expenditure of the previous three-year period. Twenty-five percent of the allowable annual credit may be claimed in any one year.

### TRAINING PROGRAMS

**Major Projects and Comprehensive Training (IMPACT) or Kansas Industrial Training (KIT):** Provides financial assistance to help offset a company's training costs, paying a negotiated portion of the costs.

### SPECIAL ZONING

**Enterprise Zone Program:** The entire state of Kansas is designated as an Enterprise Zone. Projects located in Kansas are eligible to receive certain incentives including corporate income tax credits for new job creation and qualified capital investment. Eligibility depends on the type of business and the number of jobs created. The investment tax credit is 1% of qualified investment. Unused credits may be carried forward.

### LOW INTEREST FINANCING

**Wind and Solar Bond Financing:** The state has the authority to issue up to \$5 million in bond financing for eligible wind and solar energy manufacturers locating in Kansas. The bonds are paid off from the payroll withholding tax of the new jobs. To qualify, a project must create at least 200 new jobs within five years, pay at least a \$32,500 average salary and generate a minimum capital investment of \$30 million.

### LOCAL INCENTIVES

Cities or counties in Kansas have the authority to exempt real property from ad valorem taxation. A total or partial tax abatement may be in effect for up to 10 years after the calendar year in which the business commences its operations.

### TAX EXEMPTIONS

Both the Enterprise Zone Program and High Performance Incentive Program offer a 100% sales tax exemption on the purchase of labor and materials to construct or remodel a facility, as well as on the machinery, equipment, furniture and fixtures used in the facility.

## BUSINESS TAX SNAPSHOT

Corporate Income Tax: < 6%

Sales Tax: 6%

Property tax: \$651 per Capita



### TAX CREDITS

**Kentucky Business Investment (KBI) Program:** Provides income tax credits and wage assessments to new and existing agribusiness, regional and national headquarters, manufacturing companies, and non-retail service or technology-related companies that locate or expand operations in Kentucky.

**Kentucky Reinvestment Act (KRA):** Provides tax credits to existing Kentucky companies engaged in manufacturing and related functions on a permanent basis for a reasonable period of time and is expected to invest at least \$2,500,000 in eligible equipment and related costs.

**Kentucky Environmental Stewardship Act (KESA):** Provides companies manufacturing products that have a substantial positive impact on human health and the environment. Companies with projects approved under KESA must have at least \$5 million in eligible cost and can potentially recover up to 25% of the projects fixed asset cost and 100% of employee skills training. The tax incentive is available for recovery over a 10-year period.

**Incentives for Energy Independence Act (IEIA):** Companies meeting minimum investment requirements and operating in alternative fuel using biomass, alternative fuel using coal, or renewable power facility that meets minimum electric output standards based upon the power source, are eligible to receive numerous tax incentives.

### GRANTS

**Customized training:** The state can provide credits and grant funds to support training for existing businesses or targeted industry-specific training. Credits can be used against income tax. Grant funds must be matched by the company.

### LOW INTEREST FINANCING

The state offers a variety of low-interest or forgivable loans to encourage economic development business expansion and job creation.

### REFUNDS

**Kentucky Enterprise Initiative Act (KEIA):** Provides a refund of sales and use tax paid by approved companies for building and construction materials permanently incorporated as an improvement to real property and for eligible equipment used for research and development or data processing.

### LOCAL INCENTIVES

Local governments have the authority to provide certain incentives including various types of **Tax Increment Financing, Industrial Revenue Bonds**, and low-interest loans.

### TAX EXEMPTIONS

**Property exemption:** Manufacturing machinery is exempt from local property taxation and is subject only to state taxation at the rate of \$0.15 per \$100 of assessed valuation. Goods in transit are exempt from state, city, county, and school district personal property taxes.

**Sales & Use Tax Exemptions:** Pollution-control equipment, industrial machinery and equipment and industrial fuels and raw materials are exempt from sales & use taxes.

## BUSINESS TAX SNAPSHOT

Corporate Income Tax: 4.95%

Sales Tax: 6%

Property tax: \$1,409 per Capita



### TAX CREDITS

**Michigan Economic Growth Authority Standard Job Creation Tax Credits (MEGA):** Provides tax credits for new or expanding business. To qualify, companies must create at least 50 new jobs (High-Tech companies must create 25 new full-time jobs) within five years. Each credit may be awarded for up to 20 years and up to 100% of the wages and employer-paid health care benefits multiplied by the personal income tax rate in effect at the beginning of the company tax year. Credits are refundable.

**Michigan NextEnergy Authority (MNEA) Act Tax Credit:** Tax credits and exemptions are available to companies engaged in research, development, or manufacturing of alternative energy technologies.

### SPECIAL ZONING

**Renaissance Zones:** Projects located in the Renaissance zones are eligible to receive certain tax incentives, including property tax abatement (general property taxes on land and buildings are nearly 100% abated), tax credit against the Michigan Business Tax, city corporate income taxes (100% abated) and exemptions from Utility Users Tax.

### TRAINING PROGRAMS

**Economic Development Job Training (EDJT) Program:** Reimbursements grants are available to new or expanding companies to help offset employee training (averaging \$1,000 per new employee and \$500 for each existing employee).

### GRANTS

**Infrastructure Grants:** Financial assistance is available to local governments to create infrastructure such as water systems, wastewater systems, transportation projects, site improvement, or other specific infrastructure improvements required to support economic growth that provide support for new or expanding industry.

### TAX EXEMPTIONS

Municipalities have the authority to provide a tax abatement on real and personal property for manufacturing facilities.

## BUSINESS TAX SNAPSHOT

Corporate Income Tax: 9.8%

Sales Tax: 6.875%

Property tax: \$1,273 per Capita



### TAX CREDITS

**Research and development Tax Credit:** Provides a deduction against gross income tax for research and development expenses. A credit against the tax is allowed for a percentage of qualified expenditures made within Minnesota.

### SPECIAL ZONING

**Opportunity Building Zone (OBZ):** Projects located or expanding in one of the 10 Opportunity Zones within the state is eligible to receive a wide variety of local and state tax exemptions including corporate franchise tax; Income tax for operators or investors, including capital gains tax; Sales tax on goods and services used in the zone; Property tax on commercial and industrial improvements but not on land; Wind energy production tax; and employment tax credit for high paying jobs.

### GRANTS

**Minnesota Jobs Skills Partnership program:** Grants, up to \$400,000, are available to educational institutions that partner with businesses to develop new-job training or retraining for existing employees.

### LOCAL INCENTIVES

Local governments have the authority to provide property tax abatements for eligible economic development projects and Tax Increment Financing, designed to finance the public costs associated with a private development project. The property tax increases resulting from a development will be targeted to repay the public investment required by a project.

### TAX EXEMPTIONS

**Sales and use exemptions:** In addition to the sales tax exemption for manufacturers' capital equipment, sales of property delivered outside the state are exempt from sales tax under certain conditions. Materials used or consumed in agricultural, industrial, or services production for retail sale and petroleum products subject to other excise taxes are exempt from sales and use taxes.

**Property tax exemptions:** Personal property, such as inventories, stocks of merchandise, and most machinery and equipment installed for business purposes, is exempt from property taxation.

## BUSINESS TAX SNAPSHOT

Corporate Income Tax: 6.25%

Sales Tax: 4.25%

Property tax: \$924 per Capita



### TAX ABATEMENTS

**Chapter 353 Tax Abatement:** Program can be utilized by cities to encourage the redevelopment of blighted areas by providing real property tax abatement. Tax abatement is available for a period of up to 25 years, can be up to 100% for first 10 years and 50% for last 15 years.

### TAX CREDITS

**Quality Jobs Program:** “Technology” or “High Impact” businesses are eligible to receive tax credits which are refundable, transferable and/or saleable. The program benefits are based on a percentage of the payroll of the new jobs. Maximum credit is 5% of payroll for five years.

**Build MO Bonds Program:** Provides tax credits to projects creating a minimum of 500 new jobs and \$10 million of investment (100 new jobs and \$15 million of investment for manufacturers). Credits are refundable. Bonds are issued to public or private infrastructure to support the project. Minimum bond issue is \$500,000.

### SPECIAL ZONING

**Enhanced Enterprise Zone:** Projects locating in an Enhanced Enterprise Zone are eligible to receive tax credits that can be applied to Income Tax, excluding withholding tax. Tax credits can only be applied to tax liability for the year in which they were earned. The tax credits are refundable; or may be transferred, sold or assigned. The sale price cannot be less than 75% of the par value of such tax credits.

### TAX EXEMPTIONS

**Sales Tax Exemption:** Machinery and equipment used to establish a new manufacturing facility or expand an existing manufacturing facility is exempt from local and state sales/use tax, provided such machinery/equipment is used directly to manufacture a product ultimately intended for sale.

**Chapter 100 Sales Tax Exemption:** Provide a sales tax exemption on tangible personal property purchased through Chapter 100 bonds for non-manufacturing purchases. Companies eligible for Chapter 100 bond financing include manufacturing, warehousing, distribution, office, research and development, agricultural processing, and services in interstate commerce.

### LOCAL INCENTIVES

Municipalities in Missouri have the discretionary authority to provide certain incentives including Local Tax Increment Financing (Local TIF). Areas eligible for Local TIF must be designated as “Blighted”, “Conservation” or for “Economic Development”.

## BUSINESS TAX SNAPSHOT

**Corporate Income Tax:** 6.75%  
**Sales Tax:** none  
**Property tax:** \$1,221 per Capita



### TAX CREDITS

**New or Expanding Industry Wage Credit:** A manufacturing corporation may receive a corporation license tax credit of 1% of wages paid to new employees for the first three years of operation and expenses.

### GRANTS

**The Primary Sector Workforce Training Grant program:** Provides grant funds to businesses for training new and existing full-time workers (max of \$5,000 per full-time employee.) Specific guidelines must be met and companies must provide \$1 of match for every \$3 dollars of grant funds.

### LOW INTEREST FINANCING

The State has various structures to deliver low-interest financing through the **Montana Board of Investments** Loan Participation Program and the Value-Added Loan Program.

Loan funds through the Montana Board of Investments may be available to local government for public infrastructure improvements to support economic development. The infrastructure improvements are essentially a grant to the business as a direct reduction of project development costs. The business may write off up to 100% of the related fees and assessments paid to the local government on its Montana income tax as it documents the related job creation. The benefit to the company is limited by the number and quality of jobs created and the ability of the business to write off the tax credits on its actual income tax liability. Infrastructure loans are limited to \$16,666 per job created as a result of the project. The minimum loan amount is \$250,000.

**Big Sky Economic Development Fund:** Trust fund dollars can be awarded to local governments in the form of grants and loans for economic development projects. In addition, funds can be awarded to Certified Regional Economic Development Corporations and other eligible economic development organizations in the form of grants for economic development planning and capacity building.

**Aerospace and Technology Infrastructure Development Program:** The State of Montana may issue and sell up to \$20 million in general obligation bonds for aerospace transportation and technology infrastructure development projects. The state would own the improvements funded and would lease the infrastructure to the local government tax increment financing district or the business being assisted.

### LOCAL INCENTIVES

Local governments have the ability to provide additional incentives such as loans, grants, property tax abatements, reduced tax rate during construction, and decrease in tax rate on value-added machinery and equipment.

**Tax Increment Financing district:** The state has the discretionary authority to provide for the creation of a tax increment financing industrial district for industrial development projects.

## BUSINESS TAX SNAPSHOT

Corporate Income Tax: <7.8%

Sales Tax: 5.5%

Property tax: \$1,399 per Capita



### DISCRETIONARY INCENTIVES

**Nebraska Advantage Act:** The State has the discretionary authority to provide certain incentives including sales tax refunds, sliding scale wage tax credit, investment tax credit, personal property tax exemption, to companies that meet specific requirements of investment and/or number of jobs created.

### TRAINING PROGRAMS

**The Customized Job Training Program:** Provides employee training assistance to companies who engage in activities that sell goods/services primarily to a non-Nebraska market: manufacturing, processing, warehousing, and headquarter facilities are some examples. The training assistance must be used for full-time employees not involved in administrative support, management or facility maintenance.

### LOCAL INCENTIVES

Local municipalities have the discretionary authority to appropriate local tax dollars (sales and/or property tax) for economic development purposes. In addition, community and regional industrial development corporations organized throughout the state have funds available to assist in financing small to medium sized projects, or to defray partial expenses for larger industrial developments.

Local governments have the authority to provide **Tax Increment Financing**, designed to finance the public costs associated with a private development project. The property tax increases resulting from a development will be targeted to repay the public investment required by a project.

### REFUNDS

**Sales & Use Tax Refunds:** Property qualifying for certain investment incentives and for air and water pollution control equipment may receive Sales & Use Tax Refunds.



## BUSINESS TAX SNAPSHOT

Corporate Income Tax: <6.4%

Sales Tax: 5%

Property tax: \$1,157 per Capita



### TAX CREDITS

**Corporate income tax exemptions/credits:** A new business or a business expansion may be granted an income tax exemption of up to 100% for up to five years. Applications for the exemptions are subject to the approval of the State Board of Equalization.

**Research Expense Credit:** An individual, estate, trust, partnership, corporation, or limited liability company is allowed an income tax credit for conducting research in North Dakota. The credit is equal to a percentage of the excess of qualified research expenses in North Dakota over the base period research expenses. A business must be certified as a “qualified research and development company” before a taxpayer can elect to sell, transfer, or assign all or part of its unused Research and Experimental Expenditure Tax Credit.

### SPECIAL ZONING

**Renaissance Zones:** Business locating in any of the state’s designated Renaissance Zones are eligible to receive state income and local property tax exemptions for zone projects, as well as historical tax credits, available to approved zone projects.

### TRAINING PROGRAMS

**Customized industrial training:** The state provides a variety of training programs in the form of loans and grants. Loans are repaid through state income tax withholding credits and direct grants requires a match from the employer. The state also assists firms in recruiting, screening, and testing potential trainees.

### TAX EXEMPTIONS

**Sales and Use Tax Exemptions:** Electrical generating facilities, agricultural commodity processing facilities, manufacturing facilities, primary sector businesses (computer and telecommunication equipment), gas processing facilities, and oil refineries are exempt from sales and use tax.

### LOCAL INCENTIVES

Local governments have the authority to provide additional incentives including property taxation for up to five years for a new or expanding business’ building facilities. In addition, more than 80 communities have in place a 1% sales tax that can be used as economic development revenue for staffing, marketing, loan programs and other development incentives. In addition to or instead of an exemption, local governments and any project operator may negotiate payments in lieu of property tax (PILOT) for a period of up to 20 years from the date project operations begin.

## BUSINESS TAX SNAPSHOT

Corporate Income Tax: .26%

Sales Tax: 5.5%

Property tax: \$1,178 per Capita



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### TAX CREDITS

**Job Creation Tax Credit Program:** Qualifying businesses that create at least 25 net new full-time positions (within 3 years) and meet minimum wage requirements are eligible to receive tax credits, which are equal to a percentage of the tax withholding's generated by new employees. These tax credits can be used against the company's corporate franchise or income tax and are refundable in the event the company does not have sufficient tax liability.

**Job Retention Tax Credit Program:** Qualified businesses that commit to retaining at least 500 full-time jobs, with an annual payroll of at least \$40,000,000, and make an investment of at least \$50 million are eligible to receive nonrefundable tax credits, up to 75% of the state income taxes withheld from the eligible full-time employees for a period of up to 15 years.

**Research & Development Investment Tax Credit:** A nonrefundable tax credit is available for qualifying companies with R&D expenditures. The tax credit may be used against the corporate franchise tax, credit equaling 7% of excess amount of Qualified Research Expenses. Taxpayers must invest in "Qualified Research Expenses", which includes both in-house research expense and contract research expenses. Tax credit can be carried forward for up to seven years.

### GRANTS

**Customized Training:** This training program can assist with up to 50% (and up to 75% in eligible areas) of training costs through reimbursement. Eligible costs include instructor salaries, materials, travel and special needs. Additional grants are available for industrial and eligible administrative or office operations that create or retain jobs.

**Chapter 312 Grant:** The state has the discretionary authority to provide cash grants to help close the competitive cost gap of alternative locations.

### LOW INTEREST FINANCING

**Infrastructure Loans and Grants:** The state offers low-interest financing and grant funds for public roadway improvements, private rail improvements and public road, water, and sanitary sewer improvements. The amount of and type of funding will depend on job creation or retention and project type. Loans are made directly to local communities on favorable interest rates and terms.

### TAX EXEMPTIONS

**Sales and Inventory Tax Exemptions:** Machinery and equipment used in the manufacturing process; material handling equipment used in the warehousing of inventory that is primarily (51% or greater) distributed to retail operations associated with the warehouse operator; and equipment used for research and development purposes are exempt.

### LOCAL INCENTIVES

Local governments may provide certain incentives including real property tax incentives for up to 15 years.



## BUSINESS TAX SNAPSHOT

Corporate Income Tax: none

Sales Tax: 4%

Property tax: \$1,072 per Capita



### LOW INTEREST FINANCING

**REDI Fund Program:** Provides a low-interest loan fund to startup firms and businesses that are expanding or relocating. This fund provides permanent financing for the purchase of land and associated site improvements, construction, acquisition, renovations of buildings and equipment; and help cover fees, services and other costs associated with construction. The REDI Fund works by providing up to 45% of the total project costs. Interest rates are 3%, and loans are amortized up to 20 years on a building and 10 years on equipment, with a balloon payment due after five years. Companies should secure matching funds and be able to provide a 10% minimum equity contribution before applying.

### SPECIAL ZONING

**APEX Loan Program:** This loan is designed to assist companies locate or expand in communities with a population of 25,000 or less. The loan can be used to purchase land, purchase equipment or buy or renovate a building. The program may provide up to 75% of the total project costs and requires 10% minimum equity contribution. The loans are amortized over the useful life of the assets and have a 5-7% interest rate with a balloon payment at six years.

### TRAINING PROGRAMS

**Customized training:** Workforce Development Program funds supports three types of training: new employee training, current employee retraining, and current employee upgrade training. The program is designed as a 50/50 match-funding source. Every Workforce Development dollar must be matched with private sector contributions - either financial or in-kind.

### LOCAL INCENTIVES

Local county boards may provide an abatement for new industrial or commercial structures and additions to existing structures valued at more than \$30,000, and for renovated or reconstructed structures to which \$10,000 or more in value has been added. With abatements, property may be valued at 0-100% of the assessed value for one to five years.

## BUSINESS TAX SNAPSHOT

Corporate Income Tax: 7.9%

Sales Tax: 5%

Property tax: \$1,573 per Capita



### TAX CREDITS

**Economic Development Tax Credits:** Corporate income tax credits are available for the creation of new full-time jobs and/or significant capital investment. Tax credits which may be carried forward for up to 15 years, may be earned by businesses locating global, national divisional or regional headquarters operations to Wisconsin or by businesses whose existing Wisconsin headquarters are at risk of leaving the state.

**Wisconsin Manufacturing Investment Credit Program (MIC):** Companies are eligible to receive individual and corporate income tax credit for fuel and electricity used in manufacturing. To qualify, companies must retain 100% of full-time jobs and maintain an average annual investment in the state of more than \$5,000,000. The credit is nonrefundable and is equal to 100% of total unused manufacturers' sales tax credit carry forward.

**Food Processing Plant & Food Warehouse Investment Tax Credit:** Businesses may receive a tax credit of up to 10% of eligible expenses for renovating or expanding food processing plants or warehouses. The maximum credit any individual company can receive is \$200,000.

### GRANTS

**Major Economic Development (MED) Program:** Provides assistance to businesses that will make significant capital investment and create jobs as they expand in or relocate to the state. The funds may be used for construction and expansion; working capital; and acquisition of existing businesses, land, buildings, and equipment with amount varying between \$3,000 and \$10,000 per full-time job created.

**Transportation Economic Assistance (TEA):** The state offers grants for road, rail, harbor and airport projects that create and/or retain jobs in the state. The grant is 50% of costs, with a maximum amount \$1 million per project.

### TRAINING PROGRAMS

**Employee Training Programs:** The state offers various training programs available for businesses relocating or expanding in the state are available.

### LOCAL INCENTIVES

Local municipalities offer **Tax Increment Financing (TIF)** designed to finance the public costs associated with a private development project. The property tax increases resulting from a development will be targeted to repay the public investment required by a project.

### TAX EXEMPTIONS

Intangible personal property and certain motor vehicles, trucks, trailers, and aircraft are exempt from the general property tax; Business inventories are exempt from property taxation.

## BUSINESS TAX SNAPSHOT

Corporate Income Tax: 6.5%

Sales Tax: 4%

Property tax: \$495 per Capita



### TAX CREDITS

**Income Tax Capital Credit:** Provides companies with a tax credit of 5% of the capital costs of a qualifying project, to be applied to the Alabama income tax liability or financial institution excise tax generated by the project income, each year for 20 years. This credit cannot be carried forward or back and cannot be used to generate a refund to the taxpayer.

**Employer Education Credit:** Provides tax credits to employers who provide approved basic skills education to Alabama resident employees. The credit is 20% of the actual costs limited to the employer's income tax liability. Certain requirements must be met.

### GRANTS

**Capital Grant:** A discretionary grant available to competitive projects based on the level of new job creation and investment.

### SPECIAL ZONING

**Enterprise Zone:** Projects locating in an Enterprise Zone are eligible to receive certain incentives including tax credits or exemption for income tax (up to \$2,500 per new permanent employee hired), state income or business privilege tax credits for new investments, training grants (up to \$1,000 per new permanent employee), sales and use tax exemptions on purchases of construction/improvement materials for a period of five years. Employers with existing facilities in the zone may also receive tax credits if they have hired at least five new permanent employees in the zone.

### LOCAL INCENTIVES

Municipalities in Alabama have the discretionary authority to provide certain incentives including property tax abatements.

## BUSINESS TAX SNAPSHOT

Corporate Income Tax: <6.5%

Sales Tax: 6%

Property tax: \$512 per Capita



### TAX CREDITS

**Investment and Job Creation Incentives:** The state has the authority to provide companies with various job-creation incentives such as favorable unemployment insurance and workers' compensation rate, reduced sales tax rate on manufacturing utilities, sales/use tax exemption on manufacturing machinery and equipment, and favorable individual and corporate income tax rates. A tier system determines the qualification criteria and benefits, depending on where the business locates or expands their operations in Arkansas.

**Advantage Arkansas Tax Credit:** Provides income tax credits to companies based on the payroll of new, full-time, permanent employees hired as a result of the project. The tax credit is up to 4% of payroll depending on the county and is available for up to five years. Tax credit may be carried forward for nine years beyond the tax year in which the credit was first earned.

**InvestArk:** The state can provide sales and use tax credit to businesses established in Arkansas for at least two years that invest \$5 million or more in plant or equipment for new construction, expansion or modernization. The sales and use tax credit earned under the InvestArk program is based upon a percentage of eligible project cost.

**Equity Investment Tax Credit Incentive Program:** Tax credits are available to new, technology-based businesses that pay wages in excess of the state or county average wage. This program allows an approved business to offer an income tax credit to investors purchasing an equity investment in the business. The income tax credits issued under this program are equal to approximately one-third (33 1/3%) of the approved amount invested by an investor in an eligible business. Any unused credit may be carried forward for nine years.

## BUSINESS TAX SNAPSHOT

Corporate Income Tax: 5.5%

Sales Tax: 6%

Property tax: \$1,649 per Capita



**GRANTS** **High Impact Performance Incentive (HIPI) Grants:** The State has the discretionary authority to provide grants for companies in major high-impact sectors (biomedical technology, financial services, silicon technology, and transportation equipment manufacturing) that create at least 50 new full-time equivalent jobs (25 new full-time jobs if a research and development facility), and make a cumulative investment in the state of at least \$50 million (\$25M if research and development facility) within a three-year period.

**Quick Action Closing Fund:** The state has the ability to provide a discretionary grant to close a competitive gap for projects creating jobs and investment.

**TAX REFUND** **Qualified Target Industry Tax Refund:** Provides companies with a tax refund of up to \$3,000 per new full-time job created (\$6000 in an enterprise zone or rural county) that create high-wage jobs in select high value-added businesses. There is a cap of \$5 million per single qualified applicant in all years, and no more than 25% of the total refund approved may be taken in any single fiscal year.

**TAX CREDITS** **Capital Investment Tax Credit:** Provides annual corporate income tax credit, of up to 100% of investment issued in installments over a 20 year period. Eligible projects are those in designated high-impact sectors (biomedical technology, financial services, information technology, silicon technology, and transportation equipment manufacturing) and create a minimum of 100 jobs with an investment of at least \$25 million in eligible capital costs.

**TRAINING PROGRAMS** The state offers various types of training assistance including the **Quick Response Training Grant (QRT)** geared for new or expanding Florida businesses that create high quality and the **Incumbent Worker Training (IWT)** program for currently employed workers.

**TAX EXEMPTIONS** **Property, Sales & Use Tax Exemptions:** Manufacturing equipment and machinery, electricity and steam used in manufacturing, commercial space activities, labor cost in R&D expenditures, R&D machinery & equipment are exempt from Sales & Use Tax. Business inventory are exempt from property taxation

**LOCAL INCENTIVES** Municipalities in Florida are prohibited from approving tax abatements, but have the discretionary authority to provide cash grants based on job creation or tax generation.

## BUSINESS TAX SNAPSHOT

Corporate Income Tax: 6%

Sales Tax: 4%

Property tax: \$1,063 per Capita



**GRANTS** **Regional Economic Business Assistance Program (REBA):** The state of Georgia has the ability to provide cash grants to projects to close competitive gaps. The level of the grant is discretionary.

**TAX CREDITS** **Quality Jobs Tax Credit:** Provide companies creating at least 50 jobs and paying wages at least 110% of the county average tax credit of \$2,500-\$5,000 per job per year. Credits may be taken for up to five years, and may be used to offset the company's payroll withholding once all other tax liability has been exhausted. Credits may be carried forward for 10 years.

**Job Tax Credit:** Provides qualified companies tax credits of up to \$3,500 (depending on statues of the county) for each new job created. Credits may be taken (up to 100%) against corporate income tax liability. Unused credits may be carried forward for 10 years.

**Mega Project Tax Credit:** Provides a tax credit for companies that employ at least 1,800 net new employees or invest a minimum of \$450 million. Credits are first applied to state corporate income tax with excess credits eligible for use against payroll tax withholding. Credits may be carried forward for 10 years.

**TRAINING PROGRAMS** **Customized Industrial Training:** Provides companies with a tax credit, up to 50% of the employer's direct cost up to \$500 per approved training program, amount not to exceed \$1,250 per employee per year. Tax credits can be used to offset up to 50% of a company's state corporate income tax liability. Unused credits can be carried forward 10 years and can be combined with other tax credits.

**Quick Start Employee Training:** Provides training space, instructors and all needed materials for new employees in skill-based jobs at no cost to qualifying companies. The training program is given to the company for its future use.

**TAX EXEMPTIONS** **Sales Tax Exemptions:** Machinery, equipment, materials and electricity used directly as a raw material in the manufacturing process may be exempt; under certain conditions, primary material handling equipment (in warehouses and distribution centers), computer equipment are also exempt.

**LOCAL INCENTIVES** Municipalities in Georgia have the discretionary authority to provide certain incentives including property tax abatements.



## BUSINESS TAX SNAPSHOT

Corporate Income Tax: <8%

Sales Tax: 4%

Property tax: \$643 per Capita



**CASH REBATES** **Quality Jobs (QJ) program:** Cash rebates up to 6% annual gross payroll for new direct jobs for up to 10 years. The state also has the ability to rebate the state's 4% sales/use tax on capital expenditures.

**GRANTS** **Governor's Rapid Response Fund:** This fund is available to provide discretionary grants for competitive projects creating new jobs.

**Headquarters Grants Program:** Eliminates the taxes on interest and dividends for companies locating their Headquarters in the state.

**TAX ABATEMENTS** **Restoration Tax Abatement:** A five-year property tax abatement is available to companies for the expansion, restoration, improvement and development of existing commercial structures and owner-occupied residences. Equipment that becomes an integral part of that structure can also qualify for this exemption.

**TAX CREDITS** **Modernization Tax Credit:** A 5% refundable state tax credit is available for manufacturers making capital investments to modernize or upgrade existing facilities in Louisiana. The tax credit can be taken over a five-year period (1% per year for five years).

**SPECIAL ZONING** **Enterprise Zone:** Businesses hiring at least 35% of net new jobs from one of four targeted groups within an Enterprise Zone are eligible to receive income and franchise tax credits. A business must create permanent net new jobs at the EZ site. The benefits include a one-time \$2,500 credit per new job and a 4% sales/use tax rebate on materials, machinery, furniture or equipment.

**Gulf Opportunity Zone:** The Gulf Opportunity Zone Act of 2005 (GO Zone) provides federal and state tax incentives for business development in parishes most affected by hurricanes Katrina and Rita. Benefits include an up-front 50% bonus depreciation for qualified property in the Louisiana GO Zone.

**TAX EXEMPTIONS** **Sales Tax Exemptions:** Manufacturing machinery and equipment, natural gas and business utilities are exempt.

## BUSINESS TAX SNAPSHOT

Corporate Income Tax: <5%  
Sales Tax: 7%  
Property tax: \$785 per Capita



### TAX CREDITS

**Jobs Tax Credits:** Certain types of businesses that create and sustain new jobs in Mississippi are eligible to receive tax credits; amount calculated as a percentage of eligible payroll each year for five years, based on job location and wages subject to state income tax and can be applied to the state income tax. Credits can be used to offset up to 50% of the entity's income tax liability, and unused jobs tax credits can be carried forward up to five years.

**National or Regional Headquarters Tax Credits:** Companies establishing a headquarters in Mississippi that includes officers and other high-level employees are eligible to receive a tax credit that can be applied to state income tax to reduce an eligible entity's corporate income tax liability. The credit is \$500 per full-time employee per year for a five year period. Credit is increased up to \$2,000 for each position that pays 125%-200% of the average annual state wage.

**Skills Training Income Tax Credit:** Tax credits are available for certain types of businesses that offer training to their employees in Mississippi. The amount equals up to 50% of expenses the business incurs in that training, or \$2,500 per Mississippi employee per year. Credits can be applied to state income tax and any unused skills training tax credits can be carried forward up to five years.

### GRANTS

**The Mississippi ACE Fund:** Closing grants are available for projects classified as "extraordinary economic development opportunity" and demonstrate that the business is at an economic disadvantage by locating or expanding in the designated location.

### CASH REBATES

**The Mississippi Advantage Jobs Incentive Program:** Qualified employers who create and maintain minimum employment criteria paying an average wage of at least 125% of the state or county wage, for a period of up to 10 years, is eligible to receive cash rebates. The amount of the rebate will depend upon a cost/benefit analysis conducted by MDA.

### TAX EXEMPTIONS

**The Growth and Prosperity Act (GAP):** Any approved business facility that locates in a GAP designated area is exempt from state income and franchise taxes as well as certain local/property taxes for 10 years.

**Sales and Use Tax Exemptions:** Exemptions are available for the materials used in some construction and expansion projects, machinery and equipment and some purchases made with bond proceeds. Property tax exemption (up to 10 years) may be granted by local governing authorities on real and tangible personal property being used in the state and on finished goods inventory that will remain in the state.

### LOCAL INCENTIVES

Municipalities in Mississippi have the discretionary authority to provide certain incentives including **Property Tax Fee-In-Lieu**; a negotiated fee that can be set paid in place of the standard property tax levy for new or expansion projects in the state that have a private capital investment in excess of \$100,000,000. This negotiated fee may be awarded for up to 10 years, but cannot be less than one third of the property tax levy, including the property taxes assessed for school districts.

## BUSINESS TAX SNAPSHOT

Corporate Income Tax: 6.9%

Sales Tax: 5.75%

Property tax: \$860 per Capita



### TAX CREDITS

**Article 3J Tax Credits Program:** Provides tax credits to expanding businesses, including a job creation tax credit of up to \$12,500 per job, a credit of up to 7% of the value of business personal property and 30% of real property investment. Levels depend on the status of the individual county.

**Research and Development Tax Credits:** Provides tax credits for qualified North Carolina research expenses during a taxable year.

**N.C. Ports Tax Credits:** Provides Businesses who use North Carolina State Ports with tax credits on inbound and outbound cargo. The credit is earned on cargo wharfage and handling fees paid to the North Carolina State Ports Authority which exceed the average for those fees over three tax years. The credit applies to taxes due the state - up to 50% of the total tax liability for each tax year. Any unused credit may be carried forward for as long as five years for a total credit of up to \$2 million.

### GRANTS

**One North Carolina Fund:** The state has the discretionary authority to award grants for job creation within high value-added, knowledge-driven industries. The fund is competitive, and the location or expansion must be in competition with another location outside the state. Payments are made on an incremental basis as performance targets are met.

**Site and Infrastructure Grant Fund:** Provides assistance for site development and infrastructure improvements for very high-impact projects.

**Job Development Investment Grant:** Provides grants to new and expanding businesses of up to 75% of the new employee withholding's generated by a project for up to 12 years. Companies must meet certain requirements, and project must net an increase in employment.

**Job Maintenance and Capital Development Fund:** Provides grants to businesses with at least 2,000 employees, which are located in Development Tier 1 counties and which invest at least \$200 million in capital improvements.

### TRAINING PROGRAMS

**North Carolina's Industrial Training Program:** Provides financial assistance to new or expanding industries that create at least 12 new jobs. Eligible expenses include instructors' wages, travel expenses, classroom materials and suitable training facilities.

### LOCAL INCENTIVES

Municipalities are prohibited in North Carolina from providing property tax abatements, but they are authorized to provide grants based on those revenues.

### TAX EXEMPTIONS

**Sales and Use Tax Discounts, Exemptions and Refunds:** North Carolina offers reduced rate allowances on certain parts, accessories and construction supplies for eligible industries and manufacturing processes.

## BUSINESS TAX SNAPSHOT

Corporate Income Tax: 6%

Sales Tax: 4.5%

Property tax: \$582 per Capita



**GRANTS** **Quality Jobs Program:** Provides grants up to 5% of newly created gross taxable payroll for qualifying companies who pay at or above the average wage and achieve at least \$2.5 million in annual payroll. Grants can be made for up to 10 years.

**The 21st Century Oklahoma Quality Jobs Program:** Similar to the Quality Jobs Program, the state is able to provide a grant equal to a percentage of taxable payroll. However, under this program, the grant can equal 10% of payroll for projects with jobs paying 300% of average county wages.

**TAX CREDITS** **Insurance Premium Tax Credit:** Provides a special annual tax credit (15% to 50% based on the numbers of full-time, year-round employees) to insurance companies that locate or expand regional home offices in Oklahoma and maintain 200+ employees.

**The Investment / New Jobs Income Tax Credit:** Manufacturers that invest in qualified new depreciable property and also hire new employees may receive the greater of a five-year tax credit either (1) by calculating 1% of the qualifying investment or (2) by multiplying \$500 per new employee.

**TRAINING PROGRAMS** **Training for Industry Program (TIP):** The state provides a low-cost way for new or growing companies that create jobs to get a skilled, focused, and motivated workforce. Amount varies depending on project.

**SPECIAL ZONING** **Opportunity and Enterprise Zones:** Businesses locating in the Opportunity and Enterprise Zones are eligible to receive certain incentives including double the Investment/New Jobs Tax Credit; ad valorem exemptions from local taxing entities for up to six years, and may not be subject to the annualized average wage requirement in the standard Quality Jobs Program.

**TAX EXEMPTIONS** **Sales Tax Exemption Program:** Machinery and equipment used directly in the manufacturing process, tangible personal property that becomes part of the finished product, Interstate 1-800, WATS, and private-line business telecommunications systems, primary and secondary packaging materials and others are exempt.

**Ad Valorem Tax Exemption:** Certain new and expanding manufacturers, research and development companies, certain computer services and data processing companies with significant out-of-state sales, aircraft repair companies, oil refineries, and certain wind power generators may be eligible for ad valorem tax exemptions for up to five years.

## BUSINESS TAX SNAPSHOT

Corporate Income Tax: 5%

Sales Tax: 6%

Property tax: \$963 per Capita



### TAX CREDITS

**Job Development Credits:** The State has the discretionary authority to provide a refund of the personal income tax withholding's remitted on behalf of its employment. The refund is up to 5% of employee gross wages depending on the average wage of the new employment. Companies must be creating new employment and making significant capital investments.

**Jobs Tax Credit:** The State provides a tax credit to companies that establish or expand manufacturing, distribution, processing, tourism, warehousing, and R&D facilities. Credits range from \$1,500 to \$8,000 per job depending on the county. The tax credit is non-refundable and non-transferable, but unused credits can be carried forward for up to 15 years.

**Corporate Headquarters Credit:** Provides a tax credit against corporate income and license taxes for companies that establish or expand a headquarters facility. The tax credit is valued at 20% of the qualifying real property or direct lease costs for the first five years of operation. Companies must create at least 40 new full-time jobs in the headquarters and R&D functions.

### TAX MORATORIUM

**Corporate Income Tax Moratorium:** Recently enacted legislation eliminates corporate income taxes for up to 15 years for companies that expand or locate in one of the state's most economically distressed counties. The state defines economically-distressed as counties with unemployment rates twice the South Carolina average.

### GRANTS

**Economic Development Set-Aside Fund:** Provides grants to reimburse infrastructure and other project costs.

**SC Job Training Incentives:** The State has the discretionary authority to provide job training grants to companies that relocate or expand existing operations. The value of the training grants range from \$2,500 to \$9,500. All training costs are funded by the state with no company match or reimbursement.

### LOCAL INCENTIVES

Municipalities in South Carolina have the discretionary authority to negotiate a Fee-in-Lieu of Property tax (FILOT) with companies that are expanding or establishing an operation. A FILOT reduces a property's millage (tax) rate and assessment ratio for up to 20 years resulting in a tax reduction. In order to qualify, the project must have a minimum capital investment of \$2.5 million.

### TAX EXEMPTIONS

**Sales Tax Exemption:** Inventories, intangible personal property, R&D and manufacturing equipment, industrial electricity, construction materials used to construct \$100+ million manufacturing or distribution facility over 18 month period are exempt from sales and use tax.

## BUSINESS TAX SNAPSHOT

Corporate Income Tax: 6.5%

Sales Tax: 7%

Property tax: \$752 per Capita



### TAX CREDITS

**Job Tax Credits:** Companies who make minimum of \$500,000 in capital investment in a headquarters facility and create 25 net new full-time jobs are eligible to receive tax credits (up to \$4,500 per new job) to offset up to 50% of the combined franchise and excise tax. Companies who make a capital investment of \$100 million and create more than 100 net new full-time jobs are eligible for the Super Job Tax Credit which provides tax credits (up to \$5,000 per new job) to offset up to 100% of taxpayer's Tennessee franchise and excise tax liability annually.

**Qualified Headquarters Facility Relocation Expense Credit:** A credit is available against a taxpayer's franchise and excise tax liability to companies creating at least 100 new jobs. The level of the tax credit is based on qualified relocation expenses incurred by the company in establishing a qualified headquarters facility.

### UTILITY DISCOUNT

**TVA Enhanced Growth Credit:** Substantial credits on power bills may be available to companies expanding in the Tennessee Valley.

### TRAINING PROGRAMS

**Employee Training Programs:** The state offers various training programs available to businesses relocating or expanding in the state; reimbursement of up to 100% may occur.

### LOCAL INCENTIVES

**Payment in Lieu of Tax (PILOT):** Projects involving a large capital investment and large numbers of new jobs may qualify for a property tax freeze or reduction (in lieu of tax agreement).

### TAX EXEMPTIONS

**Sales Tax Exemptions:** Available on industrial machinery, energy, fuel and water used in a manufacturing; material handling equipment and racking equipment for distribution companies investing a minimum of \$10 million. Credits are also available (up to 5.5%) on building materials, equipment, and machinery for headquarters projects with more than \$20 million in construction investment.

## BUSINESS TAX SNAPSHOT

Corporate Income Tax: none

Sales Tax: 6.25%

Property tax: \$1,393 per Capita



**GRANTS** **Texas Enterprise Fund:** A discretionary fund provides grants to competitive projects where a gap exists between a competing state. Awards are based on job creation competitive factors.

**Texas Capital Fund - Infrastructure Grant Program:** Grants are available for improvements to public facilities in rural communities including roads, utilities, and rail spurs to facilitate the expansion of an industry. Amount of grant is up to \$500,000 and not to exceed 50% of the total project cost.

**TRAINING PROGRAMS** **The Skills Development Fund:** Cash reimbursements are available to local colleges and universities to assist local businesses with job training. Average training costs reimbursed are \$1,000 per trainee.

**SPECIAL ZONING** **Enterprise Zone:** Projects locating in the Texas Enterprise Zones are eligible to receive tax credit or exemption for income tax if certain requirements are met. The employer can claim a tax credit for operations in the zone between \$2,500 - \$7,500 per new permanent employee hired.

**TAX EXEMPTIONS** **Triple Freeport Exemption:** Property tax exemptions are available for various types of goods that are detained in Texas for 175 days or less. The goods must be in Texas only for a limited purpose such as assembly, storage, manufacturing, processing or fabricating. This exemption is available in select areas only.

**LOCAL INCENTIVES** Municipalities in Texas have the authority to abate local ad valorem taxes on real and personal property for up to 10 years. Municipalities are also authorized to make grants to projects using locally-retained sales tax.

## BUSINESS TAX SNAPSHOT

Corporate Income Tax: 6%

Sales Tax: 5%

Property tax: \$1,362 per Capita



**TAX CREDITS** **Major Business Facility Tax Credit:** Tax credits equal to \$1,000 per job are available to projects creating at least 50 new jobs. The tax credit, which may be carried forward for up to 10 years, is paid out in equal installments of \$500 over two years.

**GRANTS** **Virginia Investment Partnership (VIP):** The State has the discretionary authority to provide grants to companies that have operated in VA for at least five years and make capital investments of at least \$25 million (non-manufacturing projects must make a capital investment of at least \$100 million and create 1,000 jobs). Maximum grant per project is \$5 million.

**Governors Opportunity Fund:** A discretionary grant controlled by the Governor's office to serve as a "deal closing" fund. Depending on the size of the community, eligible projects must create a minimum of 25 jobs and invest at least \$2.5 million.

**Virginia Economic Development Incentive Grant:** The State has the authority to award a grant to projects creating at least 200 new jobs and making a capital investment of at least \$5,000,000. The level of the grant is discretionary and based on a return on investment analysis performed by the State.

**TRAINING PROGRAMS** **Virginia Jobs Investment Program:** Provides customized no-cost training and re-training assistance to new and existing businesses. Companies have the flexibility of choosing the training provider of their choice.

**SPECIAL ZONING** **Enterprise Zones:** Projects located in one of the State's Enterprise Zones may be eligible for Job Creation grants equal to \$500 to \$800 per job for up to five years. The state has capped the maximum new job creation eligible for the cash grant at 350 new jobs per year.

**LOCAL INCENTIVES** Municipalities in Virginia have the discretionary authority to fully or partially exempt rehabilitated commercial and industrial property (up to 15 years), manufacturing equipment, and solar devices. Local governments may tax tangible personal property at reduced rates.

**TAX EXEMPTIONS** **Sales & Use Tax Exemption:** Manufacturing equipment, custom computer software, utilities, R&D purchases, and computer equipment are exempt from sales and use tax.



## BUSINESS TAX SNAPSHOT

Corporate Income Tax: 8.5%

Sales Tax: 6%

Property tax: \$683 per Capita



### TAX CREDITS

**Corporate Headquarters Relocation Credit:** Tax credits are available to companies that relocate their corporate headquarters to West Virginia. Companies receive a credit equal to 10% of qualified investment for the creation of at least 15 jobs and a credit equal to 50% of qualified investment for the creation of at least 50 jobs.

**Economic Opportunity Credit:** The State has the authority to offset up to 100% of a company's business and occupation tax for up to 13 years. To qualify, companies must create at least 20 new jobs within certain wage levels.

**Manufacturing Investment Tax Credit:** The State offers a tax credit to companies that invest in manufacturing equipment and facilities. The credit can offset up to 60% of severance, business franchise, and corporate income tax liabilities. No new job creation is required.

**High Tech Manufacturing Credit:** A 20-year tax credit to offset 100% of the Business Franchise Tax and Corporate Net Income tax is available for high tech manufacturers that specialize in computer and peripheral equipment, electronic components or semi-conductors.

**"Five-for-Ten" Program:** The State provides a tax credit to businesses that make qualified capital improvements of at least \$50 million to an existing facility that has received \$100 million in previous capital investment. The new capital investment is assessed at a salvage value of 5% for the first 10 years.

### LOCAL INCENTIVES

Counties and municipalities in West Virginia have the discretionary authority to negotiate real property tax exemptions with companies that are expanding or establishing an operation.

### TAX EXEMPTIONS

**Sales & Use Tax Exemption:** Materials and equipment purchased for direct use in manufacturing are exempt.

## BUSINESS TAX SNAPSHOT

Corporate Income Tax: 6.968%

Sales Tax: 5.6%

Property tax: \$1,043 per Capita

### GRANTS

**The Arizona Job Training Program:** Provides companies with two types of reimbursable grants, designed to meet the different training needs of employers. Under the “Net New Hire” portion of the grant program, businesses can apply for grants that return up to 75% of the costs of training net new employees in jobs that meet wage criteria. The “Incumbent Worker” portion of the grant program will allow for training that upgrades the skills of existing employees, reimbursing employers up to a maximum of 50% of allowable training costs.

### TAX CREDITS

**Research and Development Income Tax Credit:** Provides state income tax credits for qualified research and development done in Arizona. Qualifying activities include research conducted at a state university and funded by the company. The amount of the credit is based on the federal regular credit computation method for Arizona qualified research expenses and Arizona basic research payments.

### SPECIAL ZONING

**Enterprise zones:** Businesses locating in any of the state’s designed 26 **Enterprise Zones** are eligible to receive income or premium tax credits and property tax reduction. The state income tax credits provides up to \$3,000 per qualified new employee. In addition, qualified manufacturers are eligible for property tax reductions of up to 80% for five years.

**Foreign-trade zones:** General purpose trade zones and subzones are strategically located around the state. Businesses located in a zone, or sub-zone, are eligible for an 80% reduction in state real and personal property taxes. Merchandise may be brought in duty-free for purposes such as storage, repacking, display, assembly or manufacturing. And Imports may be landed and stored quickly without full customs formalities.

**Military reuse zones:** This special-purpose zone targets manufacturers, assemblers, or fabricators of aviation or aerospace products and providers of aviation or aerospace services. Companies locating within these zones qualify for property tax reductions of up to 80% for five years, state income tax credits of up to \$7,500 for each new qualified employee, and certain exemptions from the transaction privilege (sales) tax.

### LOW INTEREST FINANCING

**Recovery Zone Economic Development Bonds & Recovery Zone Facility Bonds:** Provides companies with bonds that may be used for a wide array of purposes to stimulate economic development in areas of significant economic distress, including job training and education.

### DISCRETIONARY FUNDS

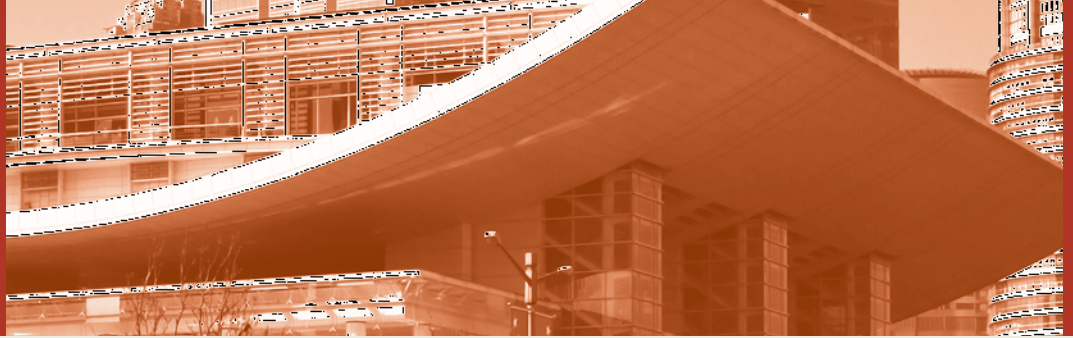
**Arizona Innovation Accelerator Program:** The program offers a unique combination of grants, tax credits, seminars and other tools necessary to evaluate, develop and commercialize technologies currently under development.

## BUSINESS TAX SNAPSHOT

Corporate Income Tax: 8.84%

Sales Tax: 8.25%

Property tax: \$1,449 per Capita



### TAX CREDITS

**Research & Development Tax Credit:** Provides tax credit for 15% of the increased research and development over a base period.

### TRAINING PROGRAMS

**The Employment Training Panel (ETP):** Provides reimbursement for workforce training expenses (up to \$1,800 per trained employee).

### SPECIAL ZONING

**Enterprise Zones:** Projected locating within one of California's 42 Enterprise Zones are eligible to receive certain incentives including income tax credits, a hiring tax credit (up to \$36,000 per employee over five years), sales and use tax credit available on the first \$20 million of machinery and equipment purchases; 100% deduction of their net operating loss with a carry forward for up to 15 years.

### TAX EXEMPTIONS

**Sales & Use Tax Exemption:** Only applies to equipment used in the manufacturing of zero emissions vehicles (ZEV).

### LOCAL INCENTIVES

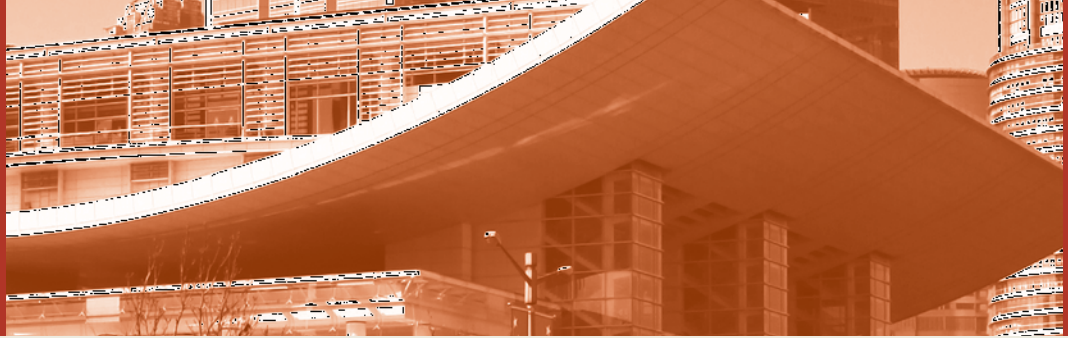
Some lower-cost communities in the state's inland regions provide free/discounted land and other inducements to encourage companies from higher-cost cities such as Los Angeles, San Francisco, and San Diego. Property tax exemptions are not typically offered by California counties and municipalities.

## BUSINESS TAX SNAPSHOT

Corporate Income Tax: 4.63%

Sales Tax: 2.9%

Property tax: \$1,254 per Capita



### GRANTS

**Strategic Fund Program:** Provides an up-front performance-based cash incentive award to businesses that create/hire net new full-time permanent jobs paying at or above average wages and meets other specified requirements. Grant may range from \$2,000-\$5,000 per net new full-time job created based on the average wage rate of the new jobs actually created, the location of those jobs and other factors.

**Job Creation Performance Incentive Fund:** Provides a performance-based incentive payment to qualifying companies that have created and hired net new full-time permanent jobs paying above average wages. The employer must maintain all of the new jobs for at least one year in order to claim an incentive from \$1,500-\$4,500 per net new full-time job.

**Infrastructure Assistance/Grants:** The State has the authority to provide eligible cities or counties assistance with funding public infrastructure projects that is needed by a specific company, provided the company meets certain job creation requirements (or retention in some cases). Generally, funding may be provided up to \$500,000; however, this amount may vary based on a number of factors.

### TRAINING PROGRAM

**Colorado First/Existing Industry Customized Job Training Grant Funds:** Grant funds are available for employee training (up to \$800 per employee) for specific businesses. A minimum of 40% of the total training costs must be covered by the company.

### TAX CREDITS

**Job Growth Incentive Tax Credit:** The state has the discretionary authority to provide a state income tax credit to businesses undertaking job creation projects that would not occur in Colorado without this program and that have met certain requirements.

### SPECIAL ZONING

**Enterprise Zone Program:** Businesses locating in one of the nine Enterprise Zones or qualifying rural counties are eligible to receive certain incentives including investment tax credit, income tax credit, job training assistance, tax credit toward qualified expenditures to rehabilitate buildings, tax credit for private expenditures on R&D activities. Eligibility for these incentives vary.

### LOCAL INCENTIVES

Municipalities in Colorado have the authority to provide certain incentives including a 50% rebate or credit on personal property tax, business loan funds, infrastructure assistance/grants. Local governments in Enterprise Zones have the option of providing new companies with a rebate or credit, not to exceed the difference in property taxes after development less the property taxes prior to zone designation.

### TAX EXEMPTIONS

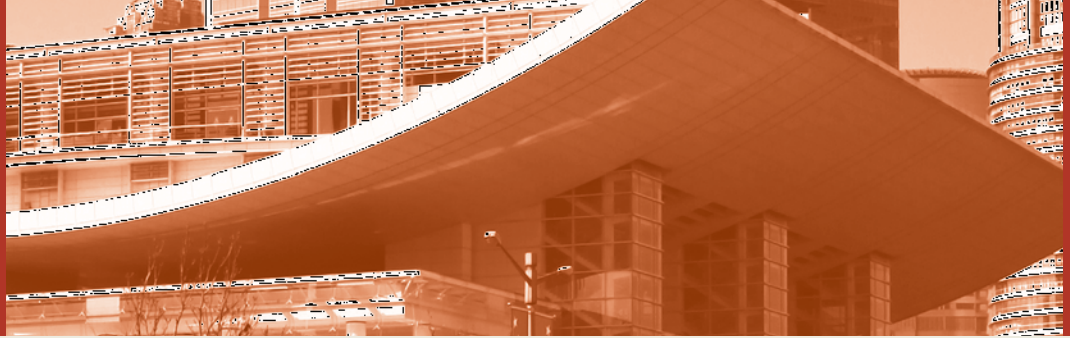
**Sales and Use Tax Exemptions:** Manufacturing equipment or machine tools purchases over \$500 as well as purchases for component parts, fuels and electricity, ink and newsprint, packaging materials, general maintenance aircraft parts, farm equipment and machinery, clean-fuel vehicles, or biotech equipment are eligible for Sales & Use Tax Exemptions. Biotech R&D is also eligible for sales and use tax refund.

## BUSINESS TAX SNAPSHOT

Corporate Income Tax: 7.6%

Sales Tax: 6%

Property tax: \$780 per Capita



### TAX CREDITS

**Business Advantage Tax Credits:** Businesses that invest a minimum of \$500,000 in new facilities and create 10 new jobs with an average salary of \$40,000 are eligible to receive corporate income tax credits. Under this program, companies may also be eligible for an Enhanced Investment Tax Credit of 3.75%, a New Jobs Tax Credit of up to \$3,000 per job, a 2.5% Real Property Tax Improvement Credit (up to \$125,000 in any given year), and a 25% Sales Tax Rebate on construction materials.

**New Jobs Income Tax Credits:** Projects that fail to meet the capital investment and wage requirements of the Business Advantage program are eligible to receive a \$1,000 tax credit for each new job added with hourly wages of \$15.50. Unused credits can be carried forward for up to three years. A separate \$500 per job credit is offered to businesses that create new jobs in manufacturing or natural resources. This credit cannot be combined with the \$1,000 tax credit.

**Research & Development Tax Credit:** 5% income tax credit can be carried forward for up to 14 years.

### GRANTS

**Workforce Development Training Fund:** Cash grants for workforce training expenses are available to companies for positions that are created in groups of five or more and pay at least \$12 an hour (up to \$2,000 per new job).

### LOW INTEREST FINANCING

The State has various structures to deliver low-interest financing.

### TAX EXEMPTIONS

**Large Business Property Tax Cap:** Businesses that invest at least \$1 billion in capital improvements are eligible to receive property tax exemption on all property valued in excess of \$400 million.

**Large Employer Property Tax Cap:** Businesses that employ at least 1,500 employees within an Idaho county and make a yearly capital investment of \$25 million within that county are eligible to receive property tax exemption on property values in excess of \$800 million.

**Sales & Use Tax Exemption:** Applies to equipment used in manufacturing, processing, and mining.

### LOCAL INCENTIVES

Idaho counties have the discretionary authority to offer full or partial property tax exemptions. The Regional Development Alliance has a \$20 million fund to assist projects in Eastern Idaho over the next four years.

## BUSINESS TAX SNAPSHOT

Corporate Income Tax: none

Sales Tax: 6.85%

Property tax: \$1,241 per Capita

### TAX ABATEMENTS

**Personal Property Tax Abatement:** Targeted businesses with operations consistent with Nevada's state plan for economic diversification and development may be eligible to receive partial personal property tax abatements. Certain requirement must be met including minimum job creation, employee health plans, minimum capital investment, and wage requirements.

**Payroll Tax Abatement:** Provides for a partial exemption of payroll taxes for companies that meet wage requirements and a minimum number of full-time workers. If locating in counties with a population greater than 60,000, a \$1 million capital investment is required (\$250,000 capital investment required for county with fewer than 60,000 population).

### TRAINING PROGRAMS

**Nevada's Train Employees Now (TEN) Program:** Assists new and expanding businesses to train new or potential employees. Training ranges from recruitment to classroom and on-the-job training. Participating businesses contribute 25% of the total training costs.

### TAX DEFERMENT

**Sales and Use Tax Deferral:** New and expanding businesses that purchase a minimum of \$100,000 in capital equipment can defer sales and use taxes without interest for up to five years on certain capital goods purchases that are consistent with Nevada's plan for industrial development.

### LOW INTEREST FINANCING

**Industrial Development Bonds:** Tax-exempt industrial development bonds with low-interest financing are available for eligible businesses. The interest rate is negotiated between the sponsor and the lender. The maximum term is 40 years. Cities and counties may also issue industrial development bonds for manufacturing, industrial warehousing, research and development, and pollution-control facilities.

### TAX EXEMPTIONS

**Alternative Energy Exemptions:** Companies involved in the production of energy from renewable sources such as wind, solar, and others, are eligible for tax abatements including sales/use tax and property tax.

**Sales and Use Tax Exemption:** Applies to certain eligible machinery and equipment used by businesses in Nevada. Companies must meet certain requirements to qualify for this incentive. Sales for resale (wholesale) are exempt from sales and use taxes.

**Property Tax Exemption:** Qualified air and water pollution-control facilities are exempt from property taxes; All raw materials and supplies used in the manufacturing process are exempt from property taxes; All personal property in transit throughout the state, while being stored or processed for use in another state, is exempt from state property tax. Inventories held for sale within the state are also exempt from property tax.

## BUSINESS TAX SNAPSHOT

Corporate Income Tax: <7.6%

Sales Tax: 5.375%

Property tax: \$568 per Capita

### TAX CREDITS

**Rural Jobs Tax Credit:** Qualified employers locating in a rural area and approved for the JTIP program are eligible to receive a tax credit (6.25% of the first \$16,000 in wages), for up to four consecutive years. Rural New Mexico is defined as any part of the state other than Los Alamos, Albuquerque, Rio Rancho, Las Cruces and Santa Fe – and a 10 mile zone around municipalities. Unused credit may be carried forward for up to three years.

**High-Wage Jobs Tax Credit:** Provides a tax credit equal to 10% of the combined value of salaries and benefits for each new job paying a minimum of \$28,000 per year in areas with populations less than 40,000 persons. Companies locating in larger areas must pay salaries of \$40,000 to receive the credit. Credit is for up to four years and any excess credit will be refunded to the business. The credit shall not exceed \$12,000 per year, per job. The credit is applied against the businesses tax liability, including the state portion of gross receipts tax, compensating tax and withholding tax.

**Manufacturer's Investment Tax Credit:** Provides tax credits of 5% of the value of qualified equipment and other property used in their operation to be applied against compensating, gross receipts or withholding tax, up to 85% of the total. Any remaining available credit may be claimed in subsequent reporting periods. To qualify, the company must add one new job for each credit, up to \$30 million; and one new employee must be hired for each \$500,000 in equipment.

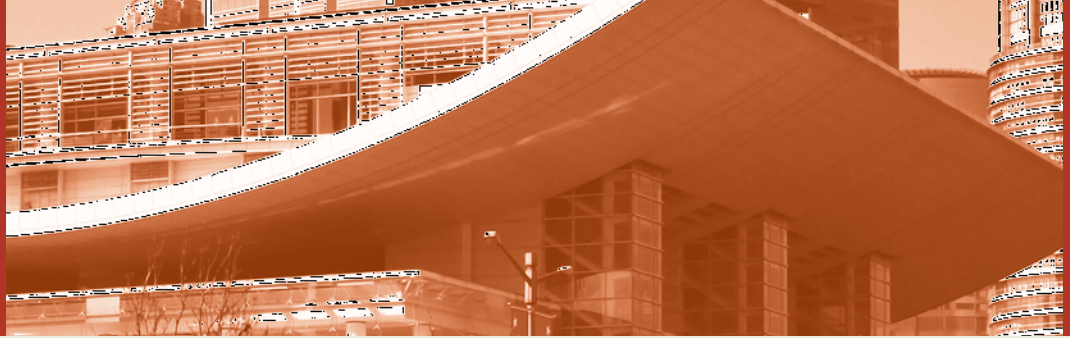
**Technology Jobs Tax Credit:** A tax credit is available for 4% of qualified research expenditures (8% in rural areas). The credit may be taken against gross receipts tax, compensating tax or state payroll tax, and may be carried forward. An additional 4% may be applied against state income tax if base payroll expenses are increased by at least \$75,000 per \$1,000,000 of expenditures claimed.

### TRAINING PROGRAMS

**Job Training Incentive Program:** Provides companies with reimbursement for training costs associated for newly created jobs. Reimbursements typically range from 50%-80% of employee wages and travel expenses. Eligibility for JTIP funds depends on the company's business, the role of the newly created positions in that business, and the trainees themselves.

## BUSINESS TAX SNAPSHOT

**Corporate Income Tax:** <7.9%  
**Sales Tax:** none  
**Property tax:** \$1,133 per Capita



### TAX CREDITS

**Business Advantage Tax Credits:** Corporate tax credits are available for renewable energy manufacturing projects. The credit which is equal to 50% over five years (or 10% annually), can be applied to a variety of project costs including renovations, machinery, equipment, and building design. Credits are transferrable and can be carried forward for up to eight years. The maximum allowable credit for renewable energy manufacturing projects is \$20 million. Other commercial and industrial projects that incorporate renewable energy equipment are also eligible for the 50% tax credit; however the maximum allowable credit is capped at \$10 million.

**Research & Development Tax Credit:** The state has the discretionary authority to provide qualifying companies with a 5% income tax credit for in-state research activities.

### TAX ABATEMENTS

**Strategic Investment Program (SIP) Property Tax Abatement:** Companies making an investment in excess of \$25- \$100 million in urban areas are eligible to receive real property tax abatements. Qualifying companies must pay an annual service fee equal to 25% of the abated taxes or up to \$500,000 in rural areas and \$2,000,000 in urban areas. Unlike the Enterprise Zone, there are no location restrictions for this program which has a maximum duration of 15 years.

### GRANTS

**Governor's Strategic Training Fund:** The state can provide job training grants to companies that create living wage jobs.

### SPECIAL ZONING

**Enterprise Zones:** Projects locating in the designated Enterprise Zones are eligible to receive a three year, 100% property tax abatement that create jobs with salaries at or above 150% of the average county wage. Projects located in one of 48 rural or "Long Term" enterprise zones are also eligible for a 15 year property tax abatement.

### LOW INTEREST FINANCING

The State has various structures to deliver low-interest financing.

### TAX EXEMPTIONS

**Income Tax Exemption:** Businesses that relocate to one of 22 rural counties are eligible to receive a 10 year waiver on all income and excise taxes. To qualify, companies must create at least five jobs and cannot have existing operations anywhere within the state.

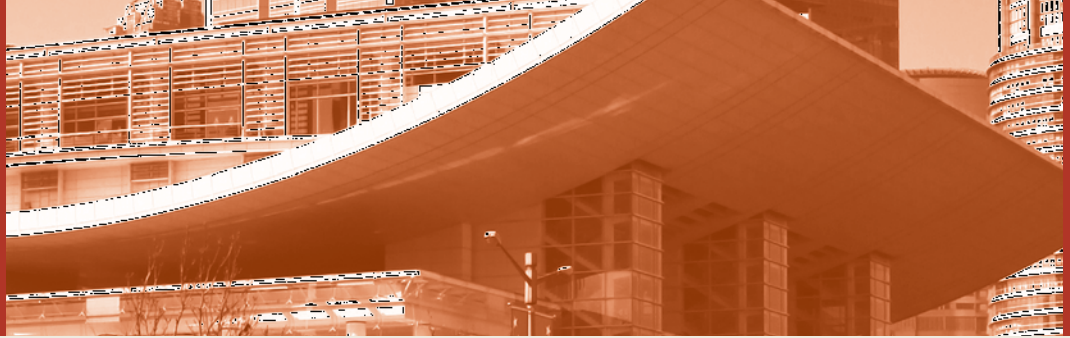


## BUSINESS TAX SNAPSHOT

Corporate Income Tax: 5%

Sales Tax: 5.95%

Property tax: \$823 per Capita



**GRANTS** **Industrial Assistance Fund:** Post performance grants are available to companies that create high paying jobs. To qualify, a business must create at least 50 jobs with salaries at or above the average county wage. Eligible companies must be within the state's targeted industries of life sciences, aerospace, software development/IT, outdoor recreation products, energy and natural resources and financial services. Corporate headquarters projects are also eligible.

**Custom Fit Training:** Grants of up to \$500 per employee for job training is available and administered through Utah's community college system.

**SPECIAL ZONING** **Economic Development Zones:** Projects locating in designated Economic Development Zones are eligible to receive refundable, post performance tax credits (valued at up to 30% of new state revenues including state corporate, sales and withholding taxes) generated by a project over a period of five to ten years. To qualify, projects must involve the creation of new jobs with wages at or above the average county wage, and within one of the state's targeted industries.

**LOW-INTEREST FINANCING** The State has various structures to deliver low-interest financing.

**LOCAL INCENTIVES** Communities in Utah have the discretionary authority to negotiate a property tax inducements or **Tax Increment Financing** agreements of up to 80% over 15 years.

**TAX EXEMPTIONS** Sales & Use Tax Exemption are available for new and replacement manufacturing equipment.

## BUSINESS TAX SNAPSHOT

Corporate Income Tax: none

Sales Tax: 6.5%

Property tax: \$1,199 per Capita

### TAX CREDITS

**High Technology Business & Occupation (B&O) Tax Credit:** Target industries such as advanced computing, advanced materials, biotechnology, electronic device technology, and environmental technology are eligible to receive an annual credit of up to \$2 million for high technology businesses that perform R&D in specific high technology categories.

**Reduced B&O Tax Rate for Manufacturers of Solar Energy System and Components of Solar Energy Systems:** Provides manufacturers, wholesale manufacturers, and processors of solar energy systems and specified components of solar energy systems using photovoltaic modules with a reduced .275% Business & Occupation tax rate.

### TRAINING PROGRAMS

**Washington Customized Employment Training Program:** The state provides for a revolving loan fund that provides up front training costs and provides a 50% B&O Tax credit to businesses relocating or expanding in the state.

### SPECIAL ZONING

**Rural County/CEZ Business and Occupation (B&O) Tax Credit:** Projects locating in rural counties and community empowerment zones are eligible to receive certain Business and Occupation Tax credits. These tax credits provides manufacturing, R&D, or computer service firms up to \$4,000 (if wages exceed \$40,000) to be used against the business and occupation tax for each new employment position created and filled by specific industries, for up to five years.

### EXEMPTIONS DEFERRALS

**Sales and Use Tax Exemptions:** Exempts sales and use tax on machinery and equipment used directly in data centers, manufacturing, research operations, in generating electricity using fuel cells, wind, solar or landfill gas energy, and for the labor and services necessary to install such equipment.

**Warehouse Tax Incentive:** Wholesalers, retail distribution centers, third-party warehouse; 200,000 sq ft or greater or grain elevator with at least 1 million bushels storage capacity are exempt 100% of state sales tax associated with construction of qualifying structures.

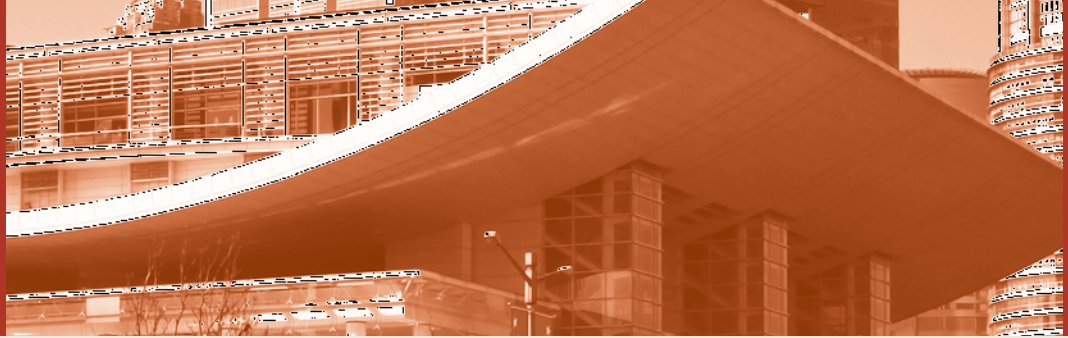
**Sales & Use Tax Deferral:** Manufacturers, R&D (excluding light and power businesses) that locate in qualifying rural counties or distressed areas can waive sales and use tax on machinery and equipment; cost of expansion or modernization of existing facility if floor space or production capacity is increased; construction costs for qualified leased building. Advanced computing, advanced materials, biotechnology, electronic device technology, environmental technology industries can defer or waive sales and use tax associated with new R&D or pilot scale manufacturing operations, or expanding, renovating or equipping an existing facility to current operation.

## BUSINESS TAX SNAPSHOT

Corporate Income Tax: none

Sales Tax: 4%

Property tax: \$2,385 per Capitaax:



### GRANTS

**Workforce Development Training Fund:** The state provides two major types of training grants, the Business Training Grants and the Pre-Hire Economic Development Grants. The Business Training Grants provide opportunities for Wyoming's new or existing businesses to create new jobs or to complete necessary skill upgrades to stay competitive in today's economy. The Pre-Hire Economic Development Grants provide pre-employment, industry-specific skill training to develop a work force for businesses or industry when there is a shortage of skilled workers.

### LOW INTEREST FINANCING

**Industrial Development Revenue Bonds:** Cities and counties may issue Industrial Development Revenue Bonds to provide financing to promote economic growth within the state, and to create jobs for in-state residents. IDR Bonds can be used for land acquisition, building and equipment loans, and are interest-exempt from federal income taxes.

**Business Ready Community Grant and Loan Program:** Cities, towns, counties, and joint powers boards are eligible applicants to receive \$79 million in grants and loans over two years to stimulate economic development at the local level. These grants and loans can be used for public infrastructure projects in which a business is committed to locate or expand in the community. Grants and loans may also be made for projects in which a community wants to build facilities or install infrastructure to prepare for new business development under a specific strategy or plan of action.

### TAX EXEMPTIONS

**Sales Tax Exemption:** Fuel for transporters and fuel or power consumed directly in manufacturing or processing; property that becomes part of or that is used in the manufacturing, compounding, or processing of tangible personal property is exempt from sales and use taxes. This exemption includes containers, shipping cases, and labels. Aircraft, railroad rolling stock, trucks, truck trailers, semi trailers, and trailers are exempt from the sales tax if they are used in interstate transportation and operated by holders of relevant federal permits or authority. The lease or sale of manufacturing machinery used directly and predominately in the manufacturing process is exempt from sales/use tax.

**Property Tax Exemption:** Personal property in transit in interstate commerce, as well as goods manufactured or assembled in Wyoming when the final destination is out of state, is exempt from property tax. Pollution-control equipment is exempt from property tax.



**BIGGINS LACY SHAPIRO & COMPANY** is distinguished by our multi-disciplinary approach to helping companies successfully plan and execute location strategies, including Economic Development Incentives, Site Selection, Land Strategies and Approval.

Our approach is premised on innovation in design and execution of incentives packages; integration of multidisciplinary skills to provide seamless, cost-effective service; and independence in advice and representation. This approach allows us to meet our core mission of devising win/win strategies that create value for our clients, while also enabling our clients to build and maintain strong ongoing relationships with their host communities.

### **RIGOROUS PREPARATION**

**Project Synchronization:** We integrate incentives into the overall site selection process seamlessly to assure consistency of competitive “messaging” and tight project coordination, focusing on the key timing issues.

**Analytic Preparation:** Working with the company and its RE advisors, we translate business objectives into location strategies, including identifying markets with optimal talent and costs/incentives.

**Managed Exposure through Negotiations & Approvals:** We intermediate negotiations to obtain optimal incentives value and business flexibility in contractual terms; preparing incentives agreements with focused attention on risk management.

**Maximizing Valuations:** We take a rigorous approach to the valuation of incentives offered and creatively structure the design of the incentives around specific features of the company (e.g., tax position) and the project; this is to assure maximum value, usability and flexibility.

**Post Closing Follow Through:** We pay careful attention to fulfilling the reporting procedures and “claiming” incentives over the full term of the agreements.

### **ATTUNED TO SUBTLETIES OF INCENTIVES**

#### **POSITIONING**

**Relationship-based Intelligence:** We understand challenges public sectors face in presenting and justifying large-scale public investments, especially during times of fiscal constraints, and work with them to construct sound and defensible public policy rationales for such investments in incentives.

**Project Positioning:** We design the competitive landscape to maximize benefits for our clients, obtaining high value incentives and supporting the real estate procurement process.

#### **WIDE-ANGLED APPROACH TO ADDING VALUE**

**Managed Public Affairs/Communications:** Special care is given to protecting confidentiality and managing communications issues with full range of internal and external audiences in mind, and the client’s reputation at the forefront.

**Diverse Incentives Agenda:** Going beyond traditional incentives, we undertake a 360° assessment of potential issues that could add value during the competitive site selection process.

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