ECONOMIC DEVELOPMENT INCENTIVES

OF THE FIFTY STATES

State Tax, Financial and Workforce Development Incentives

South Atlantic Region:

Compiled by the New Mexico Economic Development Department

New Mexico State Data Center: www.nmstatedatacenter.com

April 2017

WEST VIRGINIA

FINANCING & GRANTS

Direct Loan Programs: The West Virginia Economic Development Authority can provide up to 45% in financing fixed assets by providing low-interest, direct loans to expanding state businesses and firms locating in West Virginia. Loan term is generally 15 years for real estate intensive projects and five to 10 years for equipment projects. Loan proceeds may be used for the acquisition of land, buildings and equipment. Working capital loans and the refinancing of existing debt are not eligible.

Indirect Loans: The West Virginia Economic Development Authority provides a loan insurance program through participating commercial banks to assist firms that cannot obtain conventional bank financing. This program insures up to 80% of a bank loan for a maximum loan term of four years. Loan proceeds may be used for any business purpose except the refinancing of existing debt.

Industrial Revenue Bonds (IRBs): This program provides for customized financing through federal tax-exempt industrial revenue bonds. Of the state's bond allocation, $59,757,600 is reserved for small manufacturing projects; $17,073,600 for qualifying projects in Enterprise Communities, and $93,904,800 for exempt facility projects.

West Virginia Infrastructure and Jobs Development Council: The fund can be used for financial assistance to private companies, public utilities, and county development authorities for infrastructure improvements to support economic development projects.

West Virginia Jobs Investment Trust: West Virginia Jobs Investment Trust (JIT) is a public venture capital fund created to develop, promote and expand West Virginia's economy. The program makes investment funds available to eligible businesses, thus stimulating economic growth and providing or retaining jobs within the state.

TAX INCENTIVES

Aircraft Valuation: Aircraft owned or leased by commercial airlines, charter carriers, private carriers and private companies are valued for property tax purposes at the lower of fair market salvage value or 5% of the original cost of the property.

Commercial Patent Incentives Credit: The Commercial Patent Incentives Tax Credit can offset up to 100% of the corporation net income tax, or in the case of individual taxpayers, the personal income tax. The credit is based on a percentage of royalties, license fees and other considerations for developers of a patent or a percentage of net profit attributable to a patent used in a manufacturing process or product when that patent has been developed in conjunction with an agreement with Marshall University or West Virginia University.

Corporate Headquarters Credit: Companies that relocate their corporate headquarters to West Virginia are eligible for tax credits if 15 new jobs (including relocated employees) are created within the first year. The credit can offset up to 100%of the tax liability for business and occupation tax, corporate net income tax, and personal income tax on certain pass- through income, for a period of up to 13 years.

Economic Opportunity Credit: For qualified companies that create at least 20 new jobs within specified time limits (10 jobs in the case of qualified small businesses) as a result of their business expansion projects, the State's Economic Opportunity Tax Credit can offset up to 80% of the corporate net income tax and personal income tax (on flow through income only) attributable to qualified investment. If a qualified company that creates the requisite number of jobs pays an annual median wage higher than the statewide average non-farm payroll wage, then the qualified company can offset up to 100% of the corporate net income tax and personal income tax (on flow through income only) attributable to qualified investment.

For qualified businesses creating less than 20 new jobs within specified time limits, or for a qualified small business creating less than 10 new jobs, a $3,000 credit is allowed per new full-time job for five years, providing the new job pays at least $32,000 per year and the employee has employer- provided health insurance benefits. The $32,000 figure is adjusted annually for cost of living.

Qualified businesses include only those engaged in the activities of manufacturing, information processing, warehousing, non-retail goods distribution, qualified research and development, the relocation of a corporate headquarters, or destination-oriented recreation and tourism.

Five for Twenty-Five Program — $2 Billion Primary (Fractionating) Plants, Secondary Plants & Tertiary Plants: For 25 years, qualified plants receive a special property tax valuation of 5% of the cost of the qualified property instead of fair market value.

Five for Ten Program — Fractionating Plants and Secondary Plants: Special property tax valuation applies for 10 years to real property (excluding the value of unimproved land) and personal property of facilities that are or will be classified under the North American Industry Classification System (NAICS) with the six digit code number 211112 (natural gas liquid extraction “fractionating” plants) and to manufacturing facilities that use products produced at a facility with a 211112 NAICS code. The special property tax valuation applies to qualified capital additions of more than $10 million made to pre-existing manufacturing facilities that have a value in place before the capital addition of more than $20 million. The special property tax valuation is 5% of the cost of the qualified property instead of fair market value.

In the absence of a pre-existing manufacturing facility owned or operated by the person making the capital addition, multiple party projects may be established to meet the $20 million pre-existing investment requirement.

The Freeport Amendment: The Freeport Amendment exempts property from the West Virginia ad valorem property tax in two ways. First, manufactured products produced in West Virginia and stored in the state for a short time before moving into interstate commerce are exempt from property tax. Second, goods transported into West Virginia from outside of the state, which are held for a short time in a warehouse and then shipped to a destination outside of West Virginia, are exempt from the property tax. The exemption does not apply to inventories of raw materials or goods in process.

High-Tech Manufacturing Credit: Businesses that manufacture certain computers and peripheral equipment, electronic components or semi-conductors and which create at least 20 new jobs within one year after placement of qualified investment into service, can receive a tax credit to offset 100% of the business and occupation tax, corporate net income tax, and personal income tax on certain pass through income for 20 consecutive years.

High Technology Valuation Act (Data Centers): Tangible personal property, including servers, directly used in a high-technology business or in an Internet advertising business, is valued for property tax purposes at 5% of the original cost of the property. In addition, sales tax is eliminated from all purchases of prewritten computer software, computers, computer hardware, servers, building materials and tangible personal property for direct use in a high-technology business or internet advertising business.

Lodging Exemptions: For lodging stays in excess of 30 consecutive days per person at the same facility, there is an exemption from the state consumers sales and service tax (6%) and exemption from the local hotel/motel tax (tax rate varies per region.)

Manufacturing Inventory Credit: Offsets the corporate net income tax in the amount of property tax paid on raw materials, goods in process and finished goods manufacturing inventory.

Manufacturing Investment Credit: A tax credit is allowed against up to 60% of corporate net income tax and based on qualified investment in eligible manufacturing property, with no new job creation required.

Manufacturing Sales Tax Exemption: Purchases of materials and equipment for direct use in manufacturing are exempt from the 6% state sales and use tax, including building materials and process equipment purchased for construction of a manufacturing facility.

Research and Development Sales Tax Exemption: Purchases of tangible personal property and services directly used in research and development are exempt from the consumer sales tax.

Sales Tax Exemption for Certain E-Commerce Businesses: Some computer-related sales of tangible personal property and services are exempt from the consumer sales and services tax.

Sales Tax Exemption for Certain Warehouse and Distribution Centers: Purchases of certain tangible personal property in qualified warehouse and distribution centers may be exempt from the consumer sales and service tax.

Tax Increment Financing (TIF): Allows increases in property tax based on the improvement associated with qualified economic development and public improvement projects to assist with their long-term financing.

The Tourism Matching Advertising Partnership Program: In order to extend advertising resources for the promotion of tourism through partnerships, this program provides reimbursable matching funds for direct advertising. Business applicants and their partners must provide a minimum of 50% of the total cost for programs at the $10,000 + level. For programs not exceeding $7,500, business applicants must provide 25% of the total cost.

West Virginia Film Industry Investment Act: Up to 31% of direct-production and post-production expenditures can be converted to transferable tax credits to offset state taxes. Also, purchases and rentals of tangible personal property and purchases of services (excluding gasoline or special fuel, food or beverages) directly used in the activity of manufacturing a motion picture, TV program, music video or commercial are exempt from the consumer sales and service tax and use tax.

WORKFORCE TRAINING

Governor's Guaranteed Work Force Program: This flexible, customized training program under the West Virginia Development Office, offers assistance to eligible companies and businesses by providing funding that directly supports the transfer of knowledge and skills. Companies must create a minimum of 10 net new jobs within a 12-month period.

West Virginia Advance Program: This flexible program offers customized job training awards to new and existing businesses. The program offers development and delivery of training services that will support a company's startup and ongoing employee development initiatives through a local Community and Technical College.

Workforce Innovation & Opportunity Act (WIOA): The WIOA was created to provide state and local areas the flexibility to collaborate across systems in an effort to better address the employment and skills needs of current employees, jobseekers and employers.

WIOA aligns training with needed skills and matches employers with qualified workers. It provides incumbent worker training and promotes work-based training—increasing on-the-job training reimbursement rates to 75%. On-the-Job Training (OJT) provides opportunities for participants to "learn as they earn." The employer also benefits by being reimbursed for part of the participant's wages during the training period, while having the services of a full-time employee.

Source: https://businessfacilities.com/state-by-state-incentives-guide/

http://www.wvcommerce.org/business/businessassistance/expandingorrelocating/businessassistance/default.aspx

DELAWARE

FINANCING & GRANTS

Brownfield Assistance Program: Encourages redevelopment of environmentally distressed sites within Delaware by helping reduce capital expenditures. The Program is funded through the Delaware Strategic Fund and offers up to $1 million annually in matching funds to assist with investigation and remediation of brownfield sites. To be eligible, the owner, prospective owner or developer must obtain a Brownfield Certification through DNREC that recognizes the site as a Brownfield. After obtaining the certification, the owner, prospective owner or developer can send an application for evaluation and processing. Eligibility for brownfield assistance is based on the project's potential to serve a public purpose by maintaining or expanding employment in the State, by maintaining, expanding or diversifying business and industry in the State, and/or by maintaining or increasing the tax base in the State.

Delaware Capital Access Program (DCAP): This private-public match program gives banks a flexible, transparent tool to expand small business lending. By using a small amount of public resources to generate a large amount of private bank financing, the program provides more Delaware businesses access to bank financing. The DCAP is based on a risk pooling concept. When a lending institution makes a loan under the program, the bank/borrower contribute a premium payment to a loan reserve fund. This is a private transaction to be negotiated between the lending institution and the borrower. The Delaware Economic Development Office (DEDO) then matches the premium payment. DEDO's matching premium can range from 2.5 to 6.0 times the lender/borrower contribution. The pool of reserves builds as additional loans are enrolled in the program. The lender can withdraw from the reserve in the event of an enrolled loan defaulting. Even after a loan's maturity, the reserves remain available to the lender for additional loan claims.

Delaware Rural Irrigation Program (DRIP) Revolving Loan Fund: This revolving no-interest loan fund is available to qualified Delaware farmers to add new irrigation systems, including center pivot, linear move, towable systems, span angle systems, corner arm systems, single-phase systems or wells and filters associated with drip irrigation systems. The goal is to significantly increase the amount of irrigated cropland in the state. The program works with private lending institutions to provide borrowers with no-cost capital equal to the normal and customary equity requirements of a private loan. DRIP is administered through the Delaware Department of Agriculture and the DEDO**.** The loan fund would finance up to 25% of the total project cost, not to exceed $25,000, at zero interest for a term of no longer than seven years with repayment of principal beginning in year three of the loan. A bank or other lending institution must loan the remaining balance of the project. Eligibility requirements include:

- Farmers must be actively engaged for at least two years in the growing and harvesting of cash crops such as corn, soybeans, fruits and vegetables in Delaware.
- Farmers must own or lease the land to be irrigated.
- The existing non-irrigated land must be located in the State of Delaware to grow crops.
- Funds may be used to drill new well(s), to acquire power units, and to fabricate and install new irrigation systems.
- All work must be performed by experienced and qualified contractors licensed by and located in the State of Delaware.
- Project financing is limited to one project per individual farm annually.

Delaware Strategic Fund (DSF): Businesses that demonstrate potential to create employment opportunities in Delaware are eligible to apply for the DSF, the state's primary funding source to provide low-interest loans and grants to businesses for job creation, relocation, expansion and brownfield redevelopment. Financial assistance may be provided in the form of low-interest loans, grants or other creative financial instruments.

Delaware Technical Innovation Program (DTIP): The Delaware Strategic Fund also supports business research through funding transition grants that will bring innovative new products, jobs and revenue to Delaware. Companies involved in small business innovation—including research-and-development firms looking for the next scientific and technological breakthroughs—can apply for Small Business Innovation Research (SBIR) grants and Small Business Technology Transfer (STTR) grants as a pathway to receiving DTIP grants. These grants help promote the entrepreneurial spirit in Delaware.

State Small Business Credit Initiative (SSBCI): Small businesses in Delaware with fewer than 750 employees are eligible to apply for the SSBCI. This loan participation program is designed to enhance access to capital and lower interest rates. Loan proceeds can be used for any business expense—including payroll, inventory, machinery and equipment—and to supplement general working capital needs. The Delaware Economic Development Office (DEDO) is authorized to fund up to 20% of this type of a loan, not to exceed $5 million. The maximum amount of DEDO's participation is $1 million. Below-market rates and flexible terms are available, and a five-year term or less is preferred.

Notable uses for lenders include collateral shortfalls, cash-flow mitigation, 504 interim financing, start-up working capital and nonprofit financing.

Delaware New Jobs Infrastructure Fund: State economic development officials pursue economic development opportunities that, if realized, would have significant impact on Delaware's future economic health and competitiveness. Such situations frequently require expeditious action and the need to enhance Delaware's infrastructure that are beyond the capacity of existing Delaware economic development programs.

To meet these challenges, pursuant to Section 39 (b)(1) of Senate Bill 130, the Fiscal Year 2012 Bond and Capital Improvements Act, the Delaware New Jobs Infrastructure Fund (the "Fund") was established to provide economic assistance for renovation, construction or any other type of improvements to roads, utilities and related infrastructure in order to attract new businesses to Delaware, or for the expansion of existing Delaware businesses, when such an economic development opportunity would create a significant number of direct, permanent, quality, full-time jobs.

TAX INCENTIVES

The State of Delaware has adopted a clear, bipartisan policy to attract new business and encourage the expansion of existing operations. Key tax features include:

- No State or local general sales tax.
- No personal property or inventory taxes.
- Real property taxes are among the lowest in the country.
- Property tax relief for new construction and improvements of existing property.
- The exemption of certain investment and holding companies from corporate income tax.
- The adherence of the State tax structure to the federal definition of corporate net income so that companies may take full advantage of any federal tax law change, such as more rapid depreciation of newly purchased assets.
- Port of Wilmington foreign trade zone allows the deferment of import taxes.
- Public Utility Tax rebates of 50% on increased consumption for qualifying industries and reduced rate for manufacturers and agricultural processors.

Business Finder's Fee Tax Credit: Created to incentivize existing Delaware businesses to leverage relationships with suppliers, customers and other businesses to relocate to Delaware. Both the existing Delaware business and new relocating business are eligible for tax credits. The credit is equal to $500 multiplied by the number of full-time Delaware employees of the new business firm each tax year for three years following the date in which the new business firm is certified in Delaware. The goal is to get more businesses to relocate to Delaware, leading to job creation, increased tax revenues and stronger supply networks.

Clean Energy Technology Device Manufacturers' Tax Credit: This tax credit is applicable to clean energy technology device manufacturers of solar power devices, fuel cells, wind power devices and geothermal power devices. Those eligible can qualify for tax credits of $750 for each qualified employee. To be eligible, manufacturers must hire five or more qualified employees or make an investment of at least $200,000 ($40,000) per qualified employee and apply within three years of opening.

Historic Preservation Credit: Offers up to 100% tax credit rebate on qualified expenses made during the rehabilitation of any certified historic property. Tax credits may be used against personal income or bank franchise tax burdens, with credits ranging from $5,000 to $20,000, not to exceed the state's yearly fiscal limit of $5,000,000.

Industrial Public Utility Tax Rebate: Industrial firms that meet criteria for targeted industry tax credits are eligible for a 50% rebate off the Public Utilities Tax on new or increased consumption of gas and electricity for five years.

Job Creation Tax Credit: Allows for eligible businesses engaged in qualified activities to receive tax credits against corporate or personal income taxes, gross receipts tax and public utility tax. The business must hire five or more qualified employees, make an investment of at least $200,000 ($40,000 per qualified employee) and operate in a qualified facility.

Research and Development (R&D) Tax Credit: Qualified businesses with R&D expenses are eligible for Delaware R&D tax credits for the taxable year equal to:

- 10% of the excess of the taxpayer's total Delaware qualified R&D expenses for the taxable year over the taxpayer's Delaware base amount
- 50% of Delaware's apportioned share of the taxpayer's federal R&D taxes credit using the alternative incremental credit method (under Section 41(c)4 of the Internal Revenue Code).

Credit is limited to 50% of the Delaware income tax liability. In addition, under House Bill 318, Delaware doubled the R&D tax credit available to smaller businesses, while keeping in place the annual cap of $5 million for the credit as whole. Under this act, businesses with less than $20 million average annual gross receipts for the most recent four years are entitled to a credit equal to 100% of the corresponding federal credit.

Tax-Exempt Bond Financing: New or expanding businesses, governmental units and certain organizations exempt from federal income taxation can be eligible for statewide financial assistance in the form of tax-exempt bonds through the Delaware Economic Development Office (DEDO). Tax-exempt financing may be cost-effective for projects involving the issuance of more than $750,000. All applications are reviewed for impact on Delaware's economy. Eligible projects include the following major categories:

- Qualified 501(c)(3) Bonds: Tax-exempt bonds can be issued for the benefit of organizations that are tax-exempt under Section 501(c)(3) of the Code, if 95% of the net proceeds of the bonds are used by the organization in furtherance of its exempt purpose. Depending on the project being financed, certain other limitations may apply.
- Exempt Facility Bonds: Tax-exempt bonds can be issued to finance certain types of utility projects, including sewage facilities, solid waste disposal facilities, facilities for the local furnishing of electricity and gas, and other types of facilities.

Veterans Opportunity Credit: An incentive to hire veterans who served overseas in conflicts since 2001. It is based W-2 wage and aimed at qualified employers located in Delaware that hire one or more qualified veterans. The credit can be taken against the following taxes: Bank Franchise Tax, Corporate Income Tax, Personal Income Tax and Insurance General Premium Tax. The Credit shall be 10% of the gross wages, but shall not exceed $1,500 by a qualified employer to a qualified veteran. This is a refundable credit. No qualified veteran counted for the Veterans Opportunity Credit can be counted in determining the credit under the following credits: Blue Collar Jobs Credit, New Economy Jobs Credit and Business Finder's Fee Credit.

WORKFORCE DEVELOPMENT

Governor's Blue Collar Grant Program (BCGP): Delaware companies—whether they are relocating, existing and/or expanding their business—may qualify for occupational skills upgrade training for their workforce. BCGP is funded through Delaware Unemployment Taxes. A portion of the funds are shared by the Department of Labor to provide Employment & Training services for the unemployed population and the Economic Development Office – Workforce Team who focuses on providing training grants for relocating and existing companies. These funds are available to train entry-level employees up to font-line supervisors. All training is industry-specific to meet the needs of the company and its employees. The funds can be used in multiple ways and for various types of training programs such as: basic skills, industry skills, pre-employment and on-the-job training. Various methods of training are available: on-line instruction, classroom instruction and hybrid instruction.

Governor's Education Grant for Unemployed Workers: This program aims to help qualified individuals with training costs to learn a new skill or upgrade a current skill, and is designed to help those who lost jobs due to the current economic climate.

Governor's Workforce Development Grant: Working adult students who meet enrollment, employment and income eligibility requirements may be eligible for $2,000 for one academic year. To qualify, applicants must be:

- 18 years old or older
- A High School graduate or GED recipient
- A resident of Delaware and a U.S. citizen or eligible non-citizen

Eligibility requirements:

- Must be employed by a company in Delaware.
- Employees of government agencies, hospitals and nonprofit agencies are not eligible.
- Part-time or temporary employment at any eligible company qualifies.
- If employed full-time, employer must be an eligible small business with 100 or fewer employees.
- Must attend a participating Delaware school in Delaware on a part-time basis

Source: https://businessfacilities.com/state-by-state-incentives-guide/

http://dedo.delaware.gov/Incentives

MARYLAND

FINANCING & GRANTS

ADVANCE Maryland: In partnership with the National Center for Economic Gardening, is a program for second-stage entrepreneurs that uses a "grow from within" strategy targeting existing growth companies and offering them critical strategic information customized to their needs.

Challenge Investment Program: Provides financing for seed-stage companies to cover a portion of the initial costs associated with bringing new products to market. Initial investments of $50,000 to $100,000 are made with incremental investments to a maximum of $150,000. These incremental investments are awarded based upon the client's performance and the client's ability to achieve milestones set by the Maryland Venture Fund at the time of the initial closing.

Community Development Block Grant Program: Provides funding to commercial and industrial economic development projects. Program funds are dispersed to a local jurisdiction in the form of a conditional grant and are then used for public improvements or loaned to a business.

Economic Development Opportunities Fund (Sunny Day): The Sunny Day fund supports extraordinary economic development opportunities that create and retain employment as well as create significant capital investments. Projects must generate significant jobs in areas of high unemployment; they are evaluated on a competitive basis and must be consistent with the state's strategic economic development plan.

Participants must provide a minimum capital investment of at least five times the amount of the Sunny Day assistance. Applicants must possess a strong balance sheet and be credit worthy.

Invest Maryland: The largest venture capital investment in history by the State and was designed to support young companies in high-growth Maryland industries. In 2012, $84 million was raised for the program through an online auction of premium tax credits to insurance companies with operations in Maryland. Of that funding, two-thirds is being managed by private venture firms in invest in innovative early-stage businesses in the State. If successful with investments, the firms will return 100% of the principal and 80% of the profits to the State's general fund. The remaining third will be invested by the state-run Maryland Venture Fund. The state is expecting to invest in hundreds of innovative early-stage companies.

Maryland E-Nnovation Initiative Fund (MEIF): Offers a state match to private funds raised in support of endowed chairs at Maryland's nonprofit institutions of higher education. Under the fund, $8.5 million will be appropriated by the Governor annually from fiscal 2016 through 2021. Investment earnings on the endowments will be expended to further basic and applied research in scientific and technical fields of study as specified by the bill and as determined by the Maryland E-Nnovation Initiative Fund Authority.

Maryland Economic Adjustment Fund (MEAF): MEAF assists small businesses with upgrading manufacturing operations, developing commercial applications for technology, or entering into and competing in new economic markets. Eligible businesses include manufacturers, wholesalers, service companies, and skilled trades. Funds can be used for working capital machinery and equipment, building renovations, real estate acquisitions and site improvements. Funding assistance through MEAF is available to small businesses in all regions of the state.

Maryland Economic Development Assistance Authority Fund: There are five financing capabilities offered through the Maryland Economic Development Assistance Authority and Fund (MEDAAF), with assistance being provided to the business community and political jurisdictions. To qualify for assistance from MEDAAF, applicants are restricted to businesses located within a priority funding area and an eligible industry sector. With a few exceptions, assistance cannot exceed 70% of the total project costs.

Maryland Industrial Development Financing Authority (MIDFA): MIDFA encourages private sector investments through the use of insurance, the issuance of tax-exempt and taxable revenue bonds, and linked deposits. Insurance reduces the lender's credit risk. All MIDFA projects must be in a Priority Funding Area.

Maryland Innovation Initiative (MII): Created as a partnership between the State of Maryland and five Maryland academic research institutions, the program is designed to promote commercialization of research conducted in the partnership universities and leverage each institution's strengths. Qualifying Universities, faculty from Qualifying Universities, and other entrepreneurs interested in creating a University Start-up are eligible for funding.

Maryland Small Business Development Financing Authority (MSBDFA): MSBDFA promotes the viability and expansion of businesses owned by economically and socially disadvantaged entrepreneurs. MSBDFA uses include working capital, supplies and materials, machinery and equipment acquisition, land acquisition or real estate improvements. Other uses include the purchase of an existing franchise, construction or renovation and franchise fees or obtaining bid, performance and payment bonds for contracts, which receive the majority of their funding from federal, state or local government.

A private contractor manages the four MSBDFA components and the Maryland Department of Commerce provides financing for the approved small businesses:

- Contract Financing Program
- Equity Participation Program
- Long Term Guaranty Program
- Surety Bonding Program

MSBDFA clients include all small businesses unable to obtain adequate business financing on reasonable terms through normal financing channels.

Maryland Venture Fund: A state-funded seed and early-stage equity fund; an evergreen fund that receives annual allocations from the Maryland State Legislature. The Fund makes direct investments in technology and life science companies and indirect investments in venture capital funds. Approximately 60% of the Fund is invested in technology companies in the areas of software, communications, and IT security, and 40% of the Fund is invested in life sciences companies in the areas of therapeutics, medical devices and diagnostics.

Military Personnel and Veteran-Owned Small Business Loan Program: MPVSBLP provides no interest loans of up to $50,000, from one to eight years, for businesses owned by military reservists, veterans, National Guard personnel and for small businesses that employ or are owned by such persons.

Small, Minority, and Women-Owned Business Account Video Lottery Terminal Fund (VLT): VLT provides for 1.5% of the proceeds from video lottery terminals (slots) to be distributed in targeted areas surrounding five Maryland casinos: Maryland Live in Anne Arundel County, Hollywood Casino Perryville in Cecil County, Rocky Gap in Allegany County, Ocean Downs in Worcester County and Horseshoe Casino in Baltimore City. At least 50% of the VLT allocations will be deployed to small, minority and women-owned businesses located within a 10-mile radius of the three casinos. The other 50% will be available to small, minority and women-owned businesses located throughout Maryland.

State Small Business Credit Initiative: Passed as part of President Obama's Small Business Jobs Act of 2010, this initiative awarded Maryland with $23 million to strengthen existing financing programs that support lending to small businesses. The State is allocating the funds to programs that leverage private lending to help finance small businesses that are creditworthy, but are not getting the loans they need to expand and create jobs.

TAX INCENTIVES

Biotechnology Investment Tax Credit Program: BIITC provides an income tax credit equal to 50%* of an eligible investment in a QMBC up to $250,000* for each QMBC per fiscal year. Total credits issued during the fiscal year cannot exceed the budget amount and are, therefore, issued on a first come basis. The credit is refundable if the investor has no Maryland income tax liability.

A qualified investor is an individual or any entity that invests at least $25,000 in a QMBC and is required to file an income tax return in any non-tax haven jurisdiction. An investor is limited to a credit of $250,000 for each QMBC per fiscal year.

QMBC is a company that (1) has its headquarters and base of operations in Maryland; (2) has fewer than 50 employees; (3) is in active business no longer than 10 years (up to 12 years if in the process of regulatory approval) and once certified as a QMBC, may remain eligible for a qualified investment for up to 10 years; and (4) certified by Commerce as a QMBC.

A single QMBC may not receive for the benefit of investors, in total no more than 15% of the program's fiscal year funding.

Brownfields Revitalization Incentive Program: A site that qualifies for this incentive program may qualify for real property tax credits as well. The site must be located in a jurisdiction that participates in the BRIP, and owned by an inculpable person. For five years after cleanup, a site may qualify for a real property tax credit between 50% and 70% of the increased value of the site. (In an Enterprise Zone, the tax credit may last for up to 10 years). This credit, combined with other real property tax credits, may not exceed 100% of the tax on the increased value of the site.

Clean Energy Incentive Tax Credit: Businesses that use certain renewable energy sources or waste materials to produce electricity that is sold to an unrelated person may be entitled to an income tax credit. The facility must be placed in service, or co-firing with coal must begin, on or after January 1, 2006, but before January 1, 2016. Sole proprietorships, corporations and pass-through entities, such as partnerships, subchapter S corporations, limited liability companies and business trusts may claim the tax credit.

Community Investment Tax Credit: Businesses and individuals that donate to qualified organizations' approved projects can earn credits equal to 50% of the value of the money, goods or real property contribution operated by tax exempt organizations (under Internal Revenue Code section 501(c)(3)) are eligible for a tax credit of up to $250,000. This credit is in addition to any charitable contribution deduction that is allowed for these contributions on both the state and federal income tax returns. The credit may be taken against corporate income tax, personal income tax, insurance premiums tax or public service company franchise tax. The same credit may not, however, be applied to more than one tax type.

Commuter Tax Credit: Maryland-based businesses that provide commuter benefits for employees may be entitled to a tax credit for a portion of the amounts paid during the taxable year. Commuter benefits include certain costs for an employee's travel to and from home and the workplace, a Guaranteed Ride Home program or a parking "Cash-Out" program. The credit may be taken against corporate income tax, personal income tax, state and local taxes withheld (for tax-exempt organizations) or insurance premiums tax. The same credit may not, however, be applied to more than one tax type. Sole proprietorships, corporations, tax-exempt nonprofit organizations and pass-through entities, such as partnerships, subchapter S corporations, limited liability companies and business trusts may claim the tax credit.

Cybersecurity Investment Tax Credit: CIITC provides a refundable income tax credit to Qualified Maryland Cybersecurity Companies (QMCCs) that secure investment from investors. The purpose of this new program is to incentivize and attract cybersecurity companies to startup in or move to Maryland; and to attract investment to cybersecurity companies in order to help them grow, create jobs and retain intellectual property in Maryland.

QMCCs receive a credit equal to 33%* of an eligible investment in the QMCC. A QMCC is limited to $250,000* for each investor, each fiscal year. A single QMCC may not receive total credits exceeding 15% of the total program appropriation for each fiscal year. QMCCs are limited to participating in the program for two years. Total credits issued during the fiscal year cannot exceed the budget amount and are, therefore, issued on a first come basis. The credit is refundable if the QMCC has no Maryland income tax liability.

Montgomery County passed legislation to offer a local supplement to the Maryland Cybersecurity Investment Incentive Tax Credit to QMCCs that receive a final Maryland tax credit certificate and have their headquarters and base of operations in Montgomery County. The program is subject to appropriation of funds.

Employer-Provided Long-Term Care Insurance Tax Credit: Employers who provide long-term care insurance as part of an employee benefit package may claim a credit for costs incurred. The credit may be taken against corporate income tax, personal income tax, insurance premiums tax or public service company franchise tax. The same credit may not, however, be applied to more than one tax type. Sole proprietorships, corporations and pass-through entities, such as partnerships, subchapter S corporations, limited liability companies and business trusts may claim the tax credit.

Enterprise Zone Tax Credit: The Enterprise Zone program provides real property and state income tax credits for businesses that locate in a Maryland enterprise zone. The real property tax credit is 80% of the incremental increase in property taxes over the first five years, decreasing 10% annually during the next five years. The income credit is $1,000 credit per new employee. For economically disadvantaged employees, the credit increases to $6,000 per new employee over three years. Enhanced credits are available in enterprise zone focus areas.

Job Creation Tax Credit: Businesses that create a minimum number of new full-time positions may be entitled to state income tax credits of up to $1,000 per job or $1,500 per job in a "revitalization area." Businesses engaged in an eligible activity must create at least 60 new full-time jobs in a 24-month period; this is reduced to 30 new full-time jobs if they are "high wage" jobs, and reduced to 25 new full-time jobs if they are located in a Job Creation Tax Credit "priority funding area." The Job Creation Tax Credit remains in effect until January 1, 2020.

Maryland Disability Employment Tax Credit: Businesses that hire people with disabilities may be entitled to a tax credit for wages paid to the employees and for childcare or transportation expenses paid on behalf of the employees. A person with a disability includes a veteran released from the armed forces for a service-related disability. The credit may be claimed for individuals hired before July 1, 2012.

Maryland Film Production Tax Credit: A film production project may be entitled to a refundable tax credit against State of Maryland income tax for certain costs incurred in the State that are necessary to carry out a film production activity. Qualified projects can be awarded a maximum of $7.5 million in credits in each fiscal year. Qualifying production activities are eligible for a tax credit of up to 25% of the qualified direct costs for a feature film, and 27% for a television series. If the amount of the tax credit exceeds the total tax liability in the tax year, the entity can claim a refund in the amount of the excess.

Maryland-Mined Coal Tax Credit: A co-generator, a public service company or an electricity supplier that purchases coal mined in Maryland on or before December 31, 2020 may be eligible for a tax credit.

One Maryland Tax Credit: Businesses that invest in an economic development project in a "qualified distressed county" and create at least 25 new full-time jobs may qualify for up to $5.5 million in state income tax credits. Project tax credits of up to $5 million are based on qualifying costs incurred in connection with the acquisition, construction, rehabilitation and installation of a project. Start-up tax credits of up to $500,000 are available for the expense of moving a business from outside Maryland and for the costs of furnishing and equipping the new location. The credit can be carried forward 14 years and is refundable, subject to certain limitations.

Regional Institution Strategic Enterprise (RISE) Zone Program: A RISE Zone is a geographic area that has nexus (a strong connection) with a qualified institution and is targeted for increased economic and community development. Qualified institutions include institutions of higher education, regional higher education centers or non-profits affiliated with a federal agency. The purpose of the RISE Zone program is to access institutional assets that have a strong and demonstrated history of commitment to economic development and revitalization in the communities in which they are located. Qualified institutions and local governments develop a targeted strategy to use the institutional assets and financial incentives to attract businesses and create jobs within the zone. A RISE Zone designation will be in effect for five years, with a possible additional 5-year renewal. Counties and municipalities are limited to a maximum of three RISE Zones.

Research and Development Tax Credit Program: For Maryland businesses that incur Maryland qualified research and development expenses, the Basic R&D tax credit is 3% of eligible R&D expenses that do not exceed the firm's average R&D expenses over the last four years and the Growth R&D tax credit is 10% of eligible R&D expenses -in excess of the firm's average R&D expenses. The credits are capped at $4 million each. If the amount of credits all businesses apply for exceeds the cap, each business receives it's pro rata share. Businesses must submit an application to DBED by September 15 for expenses incurred in the previous tax year. The credit is refundable for small businesses.

Employer Security Clearance Costs (ESCC) Tax Credit: The program provides income tax credits for businesses that incur costs related to obtaining security clearance for their employees or for the cost of constructing or renovating a sensitive compartmented information facility (SCIF). Businesses may receive a credit of up to $200,000 for security clearance administrative costs, 50% of the costs to construct a single SCIF up to $200,000 or up to $500,000 for the cost of constructing multiple SCIFs. In addition, a qualified small business that performs security-based contracting in Maryland may be eligible for income tax credits for the first year of rental payment for spaces leased in Maryland. The total credit is capped at $2 million. If the amount that businesses apply for exceeds $2 million, each business receives its pro rata share. The program goes into effect for tax years beginning January 1, 2013. Businesses apply to DBED by September 15th for expenses incurred in the previous tax year.

Sustainable Communities Tax Credit: This credit replaces the Heritage Structure Rehabilitation Tax Credit as of June 1, 2010. This credit is an expansion of the Heritage Structure Tax Credit and alters eligibility requirements of the credit. A refundable credit may be allowed for substantial expenditures incurred to rehabilitate certified structures in Maryland on or after June 1, 2010, but before July 1, 2017.

Telecommunications Property Tax Credit: A telecommunications company that is a public utility is allowed a credit for a portion of the total property taxes paid by the company on its operating real property in Maryland, other than operating land that is used in its telecommunications business. The credit may be taken only against corporate income tax. Only corporations may claim the tax credit.

Wineries and Vineyards Tax Credit: Provides an income tax credit of 25% of qualified capital expenses made in connection with the establishment of new wineries or vineyards, or the capital improvements made to existing wineries or vineyards. Total credits applied for may not exceed $500,000 or the credit will be prorated. Businesses must submit an application to DBED by September 15 for expenses incurred in the previous tax year. The credit is available for tax years beginning January 1, 2013.

Source: https://businessfacilities.com/state-by-state-incentives-guide/

http://commerce.maryland.gov/fund/programs-for-businesses

VIRGINIA

DISCRETIONARY GRANTS

Commonwealth’s Opportunity Fund (COF): Discretionary funds available to the Governor to secure a business location or expansion project for Virginia. Grants are awarded to localities on a local matching basis with the expectation that the grant will result in a favorable location decision for the Commonwealth. The Commonwealth’s Opportunity Fund is a vital, proven deal-closing incentive that Virginia and its communities have successfully used for over two decades.

Virginia Economic Development Incentive Grant (VEDIG): The Commonwealth’s Opportunity Fund (COF), formerly known as the Governor's Opportunity Fund (GOF), is a discretionary incentive available to the Governor to secure a business location or expansion project for Virginia. Grants are awarded to localities on a local matching basis with the expectation that the grant will result in a favorable location decision for the Commonwealth.

Virginia Investment Partnership Grant/Major Eligible Employer Grant: The Virginia Investment Partnership (VIP) Grant and the Major Eligible Employer Grant (MEE) are discretionary performance incentives designed to encourage continued capital investment by Virginia companies, resulting in added capacity, modernization, increased productivity, or the creation, development and utilization of advanced technology.

Governor’s Agriculture & Forestry Industries Development Fund (AFID): The Governor's Agriculture and Forestry Industries Development Fund (AFID) is a tool for communities within the Commonwealth to grow their agriculture and forestry industries through strategic grants made to businesses that add value to Virginia-grown agricultural and forestal products. AFID grants are made at the discretion of the Governor with the expectation that grants awarded to a political subdivision will result in a new or expanded processing/value-added facility for Virginia grown agricultural or forestal products, and with the expectation that the grant will be critical to the success of the project. The amount of an AFID grant and the terms under which it is given are determined by the Secretary of Agriculture and Forestry and subject to the approval of the Governor.

Port of Virginia Economic and Infrastructure Development Grant Program: The Port of Virginia Economic and Infrastructure Development Grant Program (POV Grant) provides a grant to certain Qualified Companies, as described below, to incentivize companies to locate new maritime-related employment centers or expand existing centers in specified localities in order to encourage and facilitate the growth of the Port of Virginia. This grant program is administered by the Virginia Port Authority.

FINANCING

Virginia Small Business Financing Authority (VSBFA): Offers programs to provide small businesses with access to capital needed for growth and expansion. Funds and programs include: Industrial Development Bonds (IDBs), Economic Development Loan Fund (EDLF), Loan Guaranty Program, SWaM Loan Fund (SLF), Virginia Capital Access Program (VCAP) Cash Collateral Program (CCP) and Small Business Investment Grant Fund (SBIGF).

Center for Innovative Technology (CIT): The Center for Innovative Technology (CIT) has been accelerating innovation, technology, and technology-based economic development opportunities and strategies for the Commonwealth of Virginia since 1984. CIT carries out its mission through four service lines: CIT Entrepreneur, CIT R&D, CIT Connect, and CIT Broadband. Funds managed include the CIT GAP Fund and the Commonwealth Research Commercialization Fund (CRCF).

INFRASTRUCTURE ASSISTANCE

Economic Development Access Program: The Virginia Department of Transportation (VDOT) administers a program that assists localities in providing adequate road access to new and expanding manufacturing and processing companies, research and development facilities, distribution centers, regional service centers, corporate headquarters, government installations, and other basic employers with at least 51 percent of the company's revenue generated from outside the Commonwealth. The program may be used to:

- Improve existing secondary highway system roads and city streets to accommodate the anticipated additional and type of traffic generated by an eligible economic development site
- Construct a new road from a publicly maintained road to the new eligible establishment's primary entrance when no road exists

Rail Industrial Access Program: The Rail Industrial Access Program provides funds to construct railroad tracks to new or substantially expanded industrial and commercial projects having a positive impact on economic development in Virginia.

In accordance with program guidelines, financial assistance to any one county, city, or town is limited to $450,000 in any one fiscal year, and the locality may utilize the entire allocation for one project. The state program will provide a maximum of $300,000 in unmatched funds. An additional $150,000 is available if matched on a dollar-for-dollar basis.

Funds may be used to construct, reconstruct, or improve part or all of the necessary tracks and related facilities on public or private property. Funds may not be used for mainline switch, right-of-way acquisition, or adjustment of utilities.

Each application must be accompanied by a resolution from the local governing body requesting the allocation of the funds.

Transportation Partnership Opportunity Fund (TPOF): The Virginia Department of Transportation (VDOT) administers the Transportation Partnership Opportunity Fund (TPOF) which may be used to address transportation aspects of economic development opportunities.

TPOF monies are awarded at the discretion of the Governor in the form of grants, revolving loans, or other financial assistance to an agency or political subdivision of the Commonwealth for activities associated with eligible transportation projects.

Projects that are developed with monies from the Fund do not become private property but become or remain public property following completion. The transportation improvements have to be accomplished according to VDOT standards and specifications and have to be maintained by the appropriate public entity pursuant to relevant agreements.

TAX INCENTIVES

Corporate Income Tax Credits: Virginia offers a variety of tax credits that are available for use against a company's corporate tax liability: These credits include:

Major Business Facility Job Tax Credit: Qualified companies locating or expanding in Virginia are eligible to receive a $1,000 income tax credit for each new full-time job created over a threshold number of jobs beginning in the first taxable year following the taxable year in which the major business facility commenced or expanded its operations.

- Companies locating in enterprise zones or economically distressed areas are required to meet a 25-job threshold; all other locations have a 50-job threshold. The threshold number of jobs must be created within a 12-month period.
- The $1,000 credit is available for all qualifying jobs in excess of the threshold and is taken in equal installments over two years ($500 per year).

- Non-qualifying jobs include seasonal or temporary jobs, positions in building and grounds maintenance, security, positions ancillary to the principal activities of the facility, and/or a job created when a position is shifted from an existing location within the Commonwealth to the new major business facility.
- Credits are available for taxable years before January 1, 2020. Unused credits may be carried over for up to 10 years.
- For jobs on the payroll for less than the full calendar year, the credit will be prorated.

Refundable Research and Development Expenses Tax Credit: For taxable years beginning before January 1, 2022, businesses may claim a tax credit equal to 15 percent of the first $300,000

($45,000) in Virginia qualified research and development expenses incurred during the taxable year; or they may claim a tax credit equal to 20 percent of the first $300,000 ($60,000) in Virginia qualified research and development expenses if the qualified research was conducted in conjunction with a Virginia college or university.

Effective for taxable years on or after January 1, 2016, a taxpayer may elect to calculate the credit using an alternative, simplified method. Under such method, the credit is equal to 10 percent of the difference between the qualified research and development expenses paid or incurred by the taxpayer during the taxable year and 50 percent of the average qualified research and development expenses paid or incurred by the taxpayer for the three years immediately preceding the taxable year for which the credit is being determined. If no qualified research and development expenses were incurred in any one of the previous three years, then the credit is equal to five percent of the qualified research and development expenses paid or incurred during the relevant taxable year. Regardless of calculation method, the credit shall not exceed $45,000 for any year.

The exception is if the research is conducted in conjunction with a Virginia college or university. In this case the credit may not exceed $60,000.

If the amount of the credit allowed exceeds the taxpayer's tax liability, the amount that exceeds the tax liability shall be refunded to the taxpayer. There is a statewide cap of $7 million per fiscal year. If applications for credits total less than $7 million, then the remaining balance of credits will be prorated among applicants, up to doubling the amount of their credits. Conversely, if applications for credits exceed $7 million, applicants' credits will be prorated.

Major Research and Development Expenses Tax Credit: For taxable years beginning on or after January 1, 2016, but before January 1, 2022, a taxpayer that incurs more than $5 million of Virginia qualified research and development expenses during a taxable year may claim the Major Research and Development Expenses Tax Credit. The credit is equal to 10 percent of the difference between the qualified research and development expenses paid or incurred by the taxpayer during the taxable year and 50 percent of the average qualified research and development expenses paid or incurred by the taxpayer for the three taxable years immediately preceding the taxable year for which the credit is being determined. If no qualified research and development expenses were incurred in any one of the previous three years, then the credit is equal to five percent of the qualified expenses paid or incurred during the relevant taxable year.

The amount of the credit allowed may not exceed 75 percent of the total amount of income tax imposed upon the taxpayer for the taxable year. Any remaining credit amount may be carried forward for the next 10 taxable years.

The credit is capped at $20 million per taxable year. If the total eligible credit requests exceed the $20 million credit cap for all credits, each taxpayer will be granted a prorated amount of credits. No taxpayer with Virginia qualified research and development expenses in excess of $5 million may claim both the Refundable Research and Development Expenses Tax Credit and the Major Research and Development Expenses Tax Credit for the same taxable year.

Recyclable Materials Processing Equipment Tax Credit: An income tax credit is available to manufacturers for the purchase of certified machinery and equipment used for processing recyclable materials in taxable years beginning before January 1, 2020. The credit is equal to 20 percent of the purchase price paid during the taxable year for the machinery or equipment. For purposes of determining the purchase price paid, a taxpayer may use the original total capitalized cost of such machinery and equipment, less capitalized interest. In any taxable year, the amount of credit allowed cannot exceed 40 percent of the company’s Virginia income tax liability before the credit. The unused amount of the credit may be carried over for 10 years. The Virginia Department of Environmental Quality (DEQ) must certify that the eligible equipment is integral to the recycling process before a taxpayer may claim this credit. For taxable years beginning on and after January 1, 2015, the credit is subject to a $2 million cap per fiscal year. To apply for certification, a taxpayer must submit a completed application to DEQ by March 1st of the year following the year it purchased the machinery or equipment.

To apply for an allocation of credits, a taxpayer must submit a completed application to the Department of Taxation by May 1st of the year following the year it purchased the machinery or equipment.

Worker Retraining Tax Credit: Virginia employers will be eligible to receive an income tax credit equal to 30 percent of all expenditures made by the employer for eligible worker retraining. If the eligible worker retraining consists of courses at a private school, the credit is equal to the cost per qualified employee, up to $200 per qualified employee annually, or $300 per qualified employee annually if the eligible worker retraining includes retraining in a STEM or STEAM discipline. The credit has a statewide spending cap of $2.5 million in any fiscal year. Eligible worker retraining consists of noncredit courses at Virginia community colleges and private schools, certified by the Virginia Economic Development Partnership, or retraining programs through apprenticeship agreements approved by the Commissioner of Labor and Industry.

Green Job Creation Tax Credit: For taxable years beginning before January 1, 2018, a taxpayer will be allowed a credit against the Virginia personal or corporate income tax for each new green job created within the Commonwealth by the taxpayer. The amount of the annual credit for each new green job will be $500 for each annual salary that is $50,000 or more. The credit will be first allowed for the taxable year in which the job has been filled for at least one year and for each of the four succeeding taxable years, provided that the job is continuously filled during the respective taxable year. Each qualifying taxpayer may claim the credit for up to 350 green jobs.

A “green job” means employment in industries relating to the field of renewable, alternative energies, including the manufacture and operation of products used to generate electricity and other forms of energy from alternative sources that include hydrogen and fuel cell technology, landfill gas, geothermal heating systems, solar heating systems, hydropower systems, wind systems, and biomass and biofuel systems.

The amount of the credit may not exceed the total amount of Virginia income tax for the taxable year in which the green job was continuously filled. If the amount of credit allowed exceeds the taxpayer’s tax liability for such taxable year, the amount that exceeds the tax liability may be carried over for credit against the income taxes of the taxpayer in the next five taxable years or until the total amount of the tax credit has been taken, whichever is sooner.

If the taxpayer is eligible for the Green Job Creation Tax Credit and creates green jobs in an enterprise zone, such taxpayer may also qualify for the benefits under the Enterprise Zone Job Grant Program. The taxpayer may not, however, claim this Green Jobs Tax Credit in addition to a Major Business Facility Job

Tax Credit nor a federal tax credit for investments in manufacturing facilities for clean energy technologies that would foster investment and job creation in clean energy manufacturing.

Port Volume Increase Tax Credit: Prior to January 1, 2022, a taxpayer that is an agricultural entity, manufacturing-related entity, or mineral and gas entity that uses port facilities in the Commonwealth and increases its port cargo volume at these facilities by a minimum of five percent in a single calendar year over its base year is eligible to claim a credit against its income tax liability. The amount of the credit is generally equal to $50 for each 20-foot equivalent unit (TEU), unit of roll-on/roll-off cargo, or 16 net tons of non-containerized cargo above the base year port cargo volume, as applicable, transported through a port facility during a major facility's first calendar year. For purposes of calculating the credit amount, one TEU is equivalent to 16 net tons of non-containerized cargo or one unit of roll-on/roll-off cargo. The Virginia Port Authority may waive the requirement that port cargo volume be increased by a minimum of five percent over base year port cargo volume for any taxpayer that qualifies as a major facility.

The maximum amount of tax credits allowed to all qualifying taxpayers pursuant to this section may not exceed $3.2 million for each calendar year. If the credit exceeds the taxpayer's tax liability for the taxable year, the excess amount may be carried forward and claimed against income taxes in the next five succeeding taxable years. If applications for credits total less than $3.2 million, then the remaining balance of credits will be prorated among applicants. Conversely, if applications for credits exceed $3.2 million, applicants' credits will be prorated.

International Trade Facility Tax Credit: A Virginia taxpayer is allowed a credit against its income tax liability if the taxpayer is engaged in port-related activities, uses maritime port facilities located in the Commonwealth, increases the amount of cargo transported through Virginia maritime port facilities by at least five percent, and either hires new qualified full-time employees or makes a capital investment to facilitate increased qualified trade activities. The amount of the credit earned is equal to either $3,500 per new, qualified full-time employee or two percent of the new capital investment made by the taxpayer. The amount of the credit allowed shall not exceed 50 percent of the tax imposed for the taxable year. Any remaining credit amount may be carried forward for the next 10 taxable years. The fund is capped on a fiscal year basis at $1.25 million and credits may be prorated if the fund is oversubscribed. The credit is scheduled to expire for taxable years beginning on and after January 1, 2022. No taxpayer may claim the International Trade Facility Tax Credit, the Port of Virginia Economic and Infrastructure Development Grant, or the Major Business Facility Job Tax Credit for the same jobs.

Barge and Rail Usage Tax Credit: A company that is an international trade facility, as defined under the Barge and Rail Usage Tax Credit that transports cargo through Virginia ports by barge or rail rather than by trucks or other motor vehicles on the Commonwealth's highways is allowed a credit against its income tax liability. The amount of the credit is $25 per 20-foot equivalent unit (TEU), or 16 tons of non-containerized cargo, or one unit of roll-on/roll-off cargo moved by barge or rail. The credit has a spending cap of $500,000 per fiscal year. Unused credits may be carried forward for five years. The credit is scheduled to expire for taxable years beginning on and after January 1, 2022.

Property Tax Exemptions: Virginia does not tax property at the state level; real estate and tangible personal property are taxed at the local level. A company pays either county or city taxes, depending on its location. If the company is located within the corporate limits of a town, it pays town taxes as well as county taxes. In addition, Virginia localities do not have separate school district taxes.

Virginia does not tax: Intangible property, which includes: manufacturers' inventory; manufacturers' furniture, fixtures, or corporate aircraft; certified pollution control facilities and equipment; and solar energy equipment, facilities, and devices that collect, generate, transfer, or store thermal or electric energy.

Localities have the option to fully or partially exempt the following property from taxation: Certified recycling equipment; rehabilitated commercial/industrial real estate for up to 15 years; manufacturers' generating and co-generating equipment; certified solar energy devices; and environmental restoration sites (eligible real estate in the Virginia Voluntary Remediation Program).

Localities may elect to tax the following tangible personal and real property at reduced rates: Research and development tangible personal property; equipment used for biotechnology research, development, and production; semiconductor manufacturing machinery and tools; computer hardware and peripherals; aircraft; clean-fuel vehicles; tangible personal property used in the provision of certain internet services; tangible personal property owned by qualifying businesses in their first two taxable years; and energy-efficient buildings.

Sales & Use Tax Exemptions: A seller is subject to a sales tax imposed on gross receipts derived from retail sales or leases of tangible personal property, unless the retail sales or leases are specifically exempt by law. When a seller does not collect the sales tax from the purchaser, the purchaser is required to pay a use tax on the purchase, unless the use of the property is exempt. Some important exemptions include:

- Manufacturers’ purchases used directly in production including machinery, tools, spare parts, industrial fuels, and raw materials
- Items purchased for resale by distributors
- Certified pollution control equipment and facilities
- Custom computer software
- Utilities delivered through lines, pipes, or mains
- Purchases used directly and exclusively in research and development
- Most film, video, and audio production-related purchases
- Charges for internet access and sales of software via the internet
- Purchases used directly and exclusively in activities performed in cooperation with the Virginia Commercial Space Flight Authority
- Semiconductor clean rooms or equipment and other tangible personal property used primarily in the integrated process of designing, developing, manufacturing, or testing a semiconductor product
- Computer equipment purchased or leased for the processing, storage, retrieval, or communication of data in large data centers (requires a minimum capital investment, job creation, and wage level to qualify)
- Machinery, tools, equipment, and materials used by a licensed brewer in the production of beer and materials such as labels and boxes for use in packaging and shipment for sale.

WORKFORCE DEVELOPMENT

Virginia Jobs Investment Program: The Virginia Economic Development Partnership's Virginia Jobs Investment Program (VJIP) provides services and funding to companies creating new jobs or experiencing technological change. As a business development incentive supporting economic development since 1965, VJIP reduces the human resource development costs of new and expanding companies. With strong support from the Governor and General Assembly, VJIP is completely state-funded, demonstrating Virginia’s commitment to enhancing job opportunities for its citizens.

Program Eligibility

Eligibility for assistance in any of the programs offered by VJIP is limited to projects that create basic employment for the Commonwealth, since basic employment brings new income into the state, stimulates additional employment, and is the basis for further economic growth. These businesses or functions must directly or indirectly derive more than 50% of their revenues from out of state sources, as determined by VJIP. Examples of activities that most often are considered basic include:

- Manufacturing
- Regional distribution centers
- Regional shared service centers
- Corporate HQs for companies with multiple facilities (HQ support positions only)
- Business-to-business information technology operations
- Research and Development Facilities

New Economy Workforce Credential Grant Fund and Program: The New Economy Workforce Credential Grant Fund and Program will establish a workforce training program and incentivize real career pathways through industry-credential attainment in high-demand occupations at participating community colleges and higher education centers.

The grants can be used for selected programs at participating institutions from among Virginia community colleges, regional higher education centers, the Institute for Advanced Learning and Research in Danville, and the New College Institute in Martinsville. The Virginia Board of Workforce Development, State Council of Higher Education for Virginia, and each eligible institution will protect the integrity of the program to ensure results.

The fund will provide grants covering two-thirds of the tuition, up to $3,000, for students who are enrolled in a workforce training program designed to fill in-demand jobs. As an incentive program, the state will pay a third of the costs, up to $1,500, when students complete the program and make the final payment when they receive a certificate or license, up to $1,500. Students will be responsible for the remaining share of the cost.

Virginia Registered Apprenticeship Related Instruction Incentive Program: The Virginia Registered Apprenticeship Related Instruction Incentive Program (ARIIP) partially reimburses eligible sponsors and employers for certain costs of related instruction. Registered Apprenticeship instills loyalty in workers and decreases employee turnover because a registered apprenticeship provides valuable, life long career benefits including: certifications and licenses that matter to business and an opportunity to simultaneously learn and earn, with a graduated pay scale that recognizes increased skill attainment.

ARIIP is administered by the Virginia Department of Labor and Industry's (DOLI) Registered apprenticeship Division. DOLI may reimburse the sponsor/employer, up to a maximum of $1,000 annually, per apprentice, for a maximum of 10 apprentices per sponsor. Reimbursement is not guaranteed and is subject to available funding on a first-come, first-serve annual basis after successful completion of coursework.

REGIONAL & LOCAL ASSISTANCE

Tobacco Region Opportunity Fund: A discretionary cash grant made to a locality in Virginia's tobacco-producing regions by the Tobacco Region Revitalization Commission (generally in the southern and southwest regions of the state) for assistance with economic development projects.

Virginia Coalfield Economic Development Authority: The Virginia Coalfield Economic Development Authority (VCEDA) works to enhance the economic base of Virginia's e-Region, the seven counties and one city of southwestern Virginia. The Authority provides low-interest loans to qualified new or expanding businesses through its financing program. The loans may be used for real estate purchases, construction or expansion of buildings, and the purchase of machinery and equipment. VCEDA also administers other funding programs designed to encourage economic development and diversification in Virginia's e-Region, including the Coalfield Regional Opportunity Fund (CROF). Eligibility requirements vary by program.

Enterprise Zones: Provides state and local incentives to businesses that invest and create jobs within Virginia's enterprise zones, which are located throughout the state. State programs include the Job Creation Grant and Real Property Investment Grant.

Defense Production Zones: Virginia authorizes its communities to establish local defense production zones to benefit businesses engaged in the design, development or production of materials, components or equipment required to meet the needs of national defense. Companies deemed ancillary to or in support of the aforementioned categories would also apply.

Foreign Trade Zones: Foreign trade zones (FTZs) allow businesses to defer paying U.S. Customs duties on imported goods held within the zones until the goods enter the United States for domestic consumption. No duties are paid if goods are re-exported. Companies also receive the benefit of not having to pay duties on broken or scrapped product. Businesses are allowed to store goods within foreign trade zones for an unlimited period of time. They are also allowed to manufacture products within zones and pay duties at the duty rate of either the foreign parts used or on the finished product, whichever is most advantageous to the company.

Virginia offers six general-purpose FTZs designated by the U.S. Department of Commerce. Each of Virginia's six FTZs are Alternative Site Framework (ASF) designated which allows greater flexibility when adding new zone operations as well as expedited FTZ Board applications. Any property within the ASF designated area of a particular FTZ can obtain status as a usage driven FTZ site. All zones provide space for storage, distribution, and light assembly operations.

Technology Zones: Virginia cities, counties and towns have the ability to establish, by ordinance, one or more technology zones to attract growth in targeted industries. Qualified businesses locating or expanding operations in a zone may receive local permit and user fee waivers, local tax incentives, special zoning treatment or exemption from ordinances. Once a local technology zone has been established, incentives may be provided for up to 10 years. Each locality designs and administers its own program.

Source: https://businessfacilities.com/state-by-state-incentives-guide/

http://www.yesvirginia.org/ProBusiness/BusinessIncentives

NORTH CAROLINA

FINANCING AND GRANT PROGRAMS

Building Reuse Program: The Building Reuse Program, under the Rural Grants/Programs Section of the North Carolina Department of Commerce, provides grants to local governments for three purposes: the renovation of vacant buildings; the renovation or expansion of a building occupied by an existing North Carolina company wishing to expand in their current location; and the renovation, expansion or construction of health care entities.

Grants are available to support the renovation of vacant buildings. A shell building built on speculation that has never been inhabited is not eligible, except in instances when the building is at least 5 years old without ever having a tenant. The building must be vacant for at least three months prior to application deadlines. Grants are also available to support the renovation or expansion of buildings occupied by a company operating in the state of North Carolina for at least 12 months.

Community Development Block Grant Program Economic Development (CDBG Economic Development): The Community Development Block Grant Economic Development Program (CDBG Economic Development), which is administered by the North Carolina Department of Commerce, provides grants to local governments for public infrastructure development. Funds available are administered based on an annual federal allocation to North Carolina from the U.S. Department of Housing and Urban Development and are made available to most local governments for economic development projects. Companies cannot apply directly for this funding, but instead work collaboratively with a local government applicant.

Eligible projects, primarily manufacturing projects, can receive a maximum of $10,000 to $15,000 per job committed depending on the tier designation of the county. Other types of projects can receive a maximum of $4,000 to $10,000 per job. CDBG Economic Development funds are limited to a maximum of $1,000,000 per project to a local government located in Tier 1 & 2 counties and $750,000 to a local government located in a Tier 3 county. The local government must provide at least one dollar for every three dollars provided by CDBG Economic Development. The 25 most economically distressed counties are not required to provide a local match.

Community Development Block Grants Building Reuse (CDBG Building Reuse) Program: The Community Development Block Grant Building Reuse Program (CDBG Building Reuse), which is administered by the North Carolina Department of Commerce, provides funds for renovation and upfitting of vacant industrial and commercial buildings for economic development purposes. The building reuse program is designed to return vacant industrial/commercial buildings to economic use for new and/or expanding business and industry. The ultimate goal of the CDBG Building Reuse program is to provide jobs for low and moderate-income persons (LMI). The CDBG Building Reuse program is available to local government applicants that propose a project in conjunction with a company that wishes to place a vacant building into economic use resulting in the creation of permanent, full-time jobs. CDBG Building Reuse funds are limited to a maximum of $750,000 per local government. The grant amount is calculated based on $20,000 per job for tax credit eligible businesses and $12,000 per job for all other businesses.

Economic Infrastructure Program: The Economic Infrastructure Program under the Rural Grants/Programs Section of the North Carolina Department of Commerce provides grants to local governments to assist with public infrastructure projects that will lead to the creation of new, full-time jobs.

Foreign Trade Zones (FTZ): Foreign Trade Zones (FTZ), sometimes known as Free Trade Zones are geographically designated and secured areas that for legal purposes are considered outside of U.S. Customs territory. FTZs offer several economic advantages for businesses involved in international trade. There are four general-purpose FTZs in North Carolina, and seven active Sub-Zones approved for use by individual companies. In addition, all of the zones have successfully transitioned to the Alternative Site Framework (ASF), which greatly simplifies services to users.

Foreign or domestic merchandise may enter the zone without a formal customs entry or the payment of customs duties or government excise taxes and without a thorough examination. If the final product is exported from the United States, no Customs duty is levied. If the final product is imported into the U.S., duty and excise taxes are due at the time of transfer from the foreign trade zone and formal entry is made into the United States. Duty is paid on the product itself or its imported parts, whichever is lower.

Job Development Investment Grant: The Job Development Investment Grant, or “JDIG” is a performance-based, discretionary incentive program that provides cash grants directly to new and expanding businesses to help offset the cost of locating or expanding a business facility in the state. The amount of the grant is based on a percentage of the personal income tax withholdings associated with the new jobs.

The amount of the grant is calculated by weighing a number of factors to determine the potential value, including the location of the project, the county tier designation, the number of net new jobs, the wages of the jobs compared to the county average wage, the level of investment, and whether the industry is one of the state's targeted industry sectors. Grant funds are disbursed annually, for up to 12 years, to approved companies following the satisfaction of performance criteria set out in grant agreements.

Joint Economic Development Program with N.C. Dept. of Transportation: The North Carolina Department of Transportation works closely with the North Carolina Department of Commerce to provide transportation improvements and infrastructure that expedites industrial/commercial growth and provides new jobs or job retention. Projects must be jointly approved by the Secretary of Transportation and the Secretary of Commerce. Funds awarded are up to $2,500 per new job with a $400,000 limit per project. Funds may be used to fund highway projects, or supplement grant funding for aviation projects at publicly owned airports, rail or marine public access projects that contribute to economic growth and development by attracting new businesses, new industries, or expanding existing businesses or industries that increase employment opportunity.

N.C. Department of Transportation Rail Industrial Access Program: The N.C. Department of Transportation's (NCDOT) Rail Industrial Access Program uses state funds to assist in constructing or refurbishing railroad spur tracks required by a new or expanding company to encourage economic development. This funding helps ensure that companies have safer, modernized railroad tracks so freight can deliver their goods and services more effectively and efficiently. Funding for the projects is contingent upon application approval prior to the company making their decision to locate or expand their facility in North Carolina and matching funds from private and or local sources.

Local governments, community development agencies, railroad companies, and companies are eligible for funds to improve rail access. Approval of requests is based on economic benefit of the project including the number of potential new jobs that will be created, the amount of capital investment, rail use and the area's economic conditions. Program funding is an incentive to encourage firms to choose a location or expand in North Carolina as opposed to another state.

One North Carolina Fund: The One North Carolina Fund, or "OneNC" is a discretionary cash-grant program that allows the Governor to respond quickly to competitive job creation projects. The North Carolina Department of Commerce administers OneNC on behalf of the Governor. Awards are based on jobs created, level of investment, location of the project, economic impact of the project, the importance of the project to the state and region, and quality of industry. Awards are allocated to local governments as part of a negotiated challenge grant. By statute, OneNC requires that a local government provide an incentive to match the OneNC funding.

The Utility Account: North Carolina's Utility Account provides infrastructure grants to local governments in Tier 1 and Tier 2 counties in the State. The North Carolina Department of Commerce administers the Utility Account. All applications are reviewed and approved by the Secretary of Commerce.

Funding is based on the availability of funds and the merits of a project. Grants are awarded to local governments for infrastructure improvements that are publicly owned and maintained. The applicant must demonstrate that the project is expected to lead to job creation in the near future. The grant amount depends on the number of new, full-time jobs created and cannot exceed $10,000 per job created or $500,000 per project.

TAX INCENTIVES

Tax Reform: In 2013 and again in 2015, Governor Pat McCrory signed new tax reform legislation into law. The corporate income tax has been reduced from 6.9% in 2013 to its current 4% in 2016. If the state meets revenue targets in 2017 or any subsequent year, the corporate income tax will drop to 3%. The Individual Income tax rate has been lowered to a flat rate of 5.75% in 2016 and will decrease further to 5.499% in 2017.

Single-Sales Factor Apportionment: On January 1, 2016, North Carolina began phasing in single-sales factor apportionment. This phasing will occur over a two–year span until single-sales factor apportionment is fully implemented as described below:

- 2016: three times sales – All apportionable income of corporations shall be apportioned by multiplying the income by a fraction, the numerator of which is the property factor plus the payroll factor plus three times the sales factor, and the denominator of which is five. If the sales factor does not exist, the denominator of the fraction is the number of existing factors and if the sales factor exists but the payroll factor or the property factor does not exist, the denominator of the fraction is the number of existing factors plus two.
- 2017: four times sales – All apportionable income of corporations shall be apportioned by multiplying the income by a fraction, the numerator of which is the property factor plus the payroll factor plus four times the sales factor, and the denominator of which is six. If the sales factor does not exist, the denominator of the fraction is the number of existing factors and if the sales factor exists but the payroll factor or the property factor does not exist, the denominator of the fraction is the number of existing factors plus three.

- 2018: single sales factor – All apportionable income of corporations shall be apportioned by multiplying the income by the sales factor.

Data Center Sales and Use Tax Exemptions: North Carolina provides three different exemptions related to datacenters and their operations:

- Exemption for a Qualifying Data Center – Sales of electricity for use at a qualifying data center and the purchase of data center support equipment to be located and used at the qualifying data center is exempt from sales tax. A Qualifying Data Center is defined as a data center that satisfies each of the following conditions: The Secretary of Commerce has made a written determination that at least $75 million dollars in private funds has been or will be invested by one or more owners, users, or tenants of the data center within five years of the date the owner, user, or tenant of the data center makes its first real or tangible property investment in the data center on or after January 1, 2012. The data center meets wage standard and health insurance requirements.
- Exemption for Computer Software – Computer software that is sold to a person who operates a data center and is used within the data center is exempt from sales tax. Computer Software is defined as a set of coded instructions designed to cause a computer or automatic data processing equipment to perform a task.
- Exemption for Eligible Internet Data Center – Sales of electricity for use at an eligible Internet data center and eligible business property to be located and used at an eligible Internet data center is exempt from sales tax.

Property Tax Exemptions: Inventories – Neither the State of North Carolina nor its localities assess property tax on inventories. In addition, raw materials are also defined as inventory, and are this excluded from property tax. Inventories owned by contractors, manufacturers, and merchants (retail and wholesale) are excluded from property tax.

Pollution Control – In North Carolina, real and personal property that is used or, if under construction, is to be used exclusively for air cleaning or waste disposal or to abate, reduce, or prevent the pollution of air or water is excluded from property tax.

Recycling – The NC Recycling Property Tax Exemption offers a tax exemption on equipment and facilities used exclusively for recycling and resource recovery.

Sales and Use Tax Exemptions: *Manufacturing – Machinery & Equipment* – Mill (generally manufacturing) machinery, mill machinery parts or accessories, and specialized equipment used to unload or process bulk cargo are exempt from sales and use tax, but are subject to a privilege tax. The privilege tax rate is 1% with a maximum of $80 per article.

Exemption for Electricity, Fuel, and Natural Gas for Manufacturing Facilities – The sale at retail and the use, storage, or consumption of fuel, piped natural gas, and electricity sold to a manufacturer is exempt from sales and use tax for use in connection with the operation of a manufacturing facility.

Raw Material for Manufacturing – Purchases of ingredients or component parts of a manufactured product that becomes an ingredient or component part of tangible personal property that is manufactured are exempt from sales and use tax.

Pollution Abatement Equipment – Pollution abatement equipment for manufacturing is exempt from sales and use tax, but subject to a 1% Privilege tax or maximum of $80 per item.

N.C. Biotechnology Center, Economic Development Award: The North Carolina Biotechnology Center collaborates with North Carolina communities to attract life science economic development projects. Its Bioscience Industrial Development team provides industry-specific expertise and resources. The Center also supports community efforts through its Economic Development Award (EDA) Program.

The EDA Program provides performance-based grants to local units of government in support of life science company projects. Grants are linked to job creation and retention milestones for specific company projects in the locality of interest. The local government administers the grant and allocates funds to the company to be used for project-related investments providing sustainable benefit to the company and community. The Center partners with both community and company to determine the appropriate use of EDA funds.

EDA grants awards are made in amounts of up to $100,000 per project based on project job-creation estimates. As for all of its funding programs, the Center has established an application, review and award process for the EDA Program. Companies and local units of government apply for this program by invitation from the Center's Bioscience Industrial Development staff.

WORKFORCE DEVELOPMENT

NC Community College Customized Training Program: North Carolina pioneered free, customized job training for businesses experiencing job growth and continues to provide the nation's most recognized customized training program. A training plan will be developed in collaboration with the company. Using the training plan, customized training programs can be designed and instruction for these programs can be provided through instructors from N.C.'s community colleges and individuals that are part of the statewide network of technical training experts. Company trainers can also be reimbursed for training activities consistent with the training plan and delivery schedules. For a defined number of instructors and for a designated instructional period, N.C.'s community colleges can reimburse the company for instructor wages up to $30.00 per hour. Instructor travel can also be supported for a defined number of instructors. All training supported through the Customized Training is coordinated through the local Community College, but can include College and 3rd Party instructors. The College is the responsible party for all contractual agreements and payments. The Customized Training Program is a very customer friendly process for the client.

The Customized Training Program provides education, training and support services for new, expanding and existing business and industry in North Carolina. The goal of the program is to foster and support three key aspects of a company's wellbeing:

- Job Growth
- Technology Investment
- Productivity Enhancement

The purpose of the Customized Training Program is to provide customized training assistance in support of full-time production and direct customer service positions created in the State of North Carolina, thereby enhancing the growth potential of companies located in the state while simultaneously preparing North Carolina's workforce with the skills essential to successful employment in emerging industries. Those businesses and industries eligible for support through the Customized Training Program include Manufacturing, Technology Intensive (i.e., Information Technology, Life Sciences), Regional or National Warehousing and Distribution Centers, Customer Support Centers, Air Courier Services, National Headquarters with operations outside North Carolina, and Civil Service employees providing technical support to US military installations located in North Carolina.

Workforce Development Network: Through a professional team representing the N.C. Department of Commerce, N.C.'s Community Colleges, the Division of Employment Security (DES), the University of North Carolina system and private colleges and universities, the State of North Carolina provides recruiting, screening and training services through a coordinated network of nationally recognized economic and workforce development agencies. This team also has the capacity and flexibility to customize any aspect of this process, from initial recruitment to personalized screening to pre-employment training to client specific training. These organizations will work to develop a customized plan and provide an extensive array of services to recruit, screen and train its workforce to allow companies to compete in a global market.

Source: https://businessfacilities.com/state-by-state-incentives-guide/
https://edpnc.com/relocate-or-expand/incentives/

SOUTH CAROLINA

FINANCING

Economic Development Set-Aside Program: Assists companies in locating or expanding in South Carolina by providing financial assistance for road or site improvements and other costs related to business location or expansion. Overseen by the Coordinating Council for Economic Development, it is the Coordinating Council’s primary business development tool for assisting local governments with road, water/sewer infrastructure or site improvements related to business location or expansion.

Rural Infrastructure Fund (RIF): Assists qualified counties in the state’s rural areas by providing financial assistance for infrastructure and other activities that enhance economic growth and development. It can be used for job creation and/or product development. Qualified counties are designated as “Tier III” or “Tier IV” by the Department of Revenue and have received approval for an economic development strategic plan by the Coordinating Council for Economic Development.

Single Factor Sales Apportionment: A company whose primary business in the state is manufacturing, distribution or selling or dealing in tangible personal property will apportion its income by multiplying the net income remaining after allocation by a fraction consisting of the company’s sales made in South Carolina divided by its total number of sales. This formula is advantageous for a company whose majority of sales occurs outside South Carolina.

Tourism Infrastructure Development Grant: Supports new or expanding tourism or recreation facilities or designated development areas primarily through infrastructure projects. This program is generated from a share of the state admissions tax on qualified tourism and recreation establishments and is overseen by the Coordinating Council for Economic Development.

TAX INCENTIVES

South Carolina offers the following statutory incentives:

- No state property tax
- No local income tax
- No inventory tax
- No sales tax on manufacturing machinery, industrial power or materials for finished products

- No wholesale tax
- No unitary tax on worldwide profits

Corporate Headquarters Credit: Provides a 20% credit based on the cost of the actual portion of the facility dedicated to the headquarters operation or direct lease costs for the first five years of operation. The credit can be applied against either corporate income tax or the license fee. These credits are not limited in their ability to eliminate corporate income taxes and can potentially eliminate corporate income taxes for as long as 10 years from the year earned. Eligibility is determined by meeting a number of specific criteria.

Credit for Revitalization of Abandoned Buildings: A credit is available to a taxpayer that improves, renovates or redevelops a site, at least 66% of which has been closed continuously or otherwise nonoperational for at least five years (excluding a building used immediately preceding as a single-family residence) from the date that the taxpayer files a Notice of Intent to Rehabilitate. In order to qualify for this credit, the taxpayer must incur rehabilitation expenses in an amount greater than $250,000 for building in unincorporated area of county or in a municipality of the county with a population of more than 25,000 persons; greater than $150,000 for building in unincorporated area of county or in a municipality of the county with a population of at least 1,000 persons but less than 25,000 persons; or greater than $75,000 for building in unincorporated area of county or in a municipality of the county with a population of less than 1,000 persons.

A taxpayer who qualifies may claim either:

- a credit against income taxes or license tax may apply equal to 25% of the rehabilitation expenses. This credit is to be taken in equal installments over 3 years beginning with the tax year in which the site is placed in service. The credit can offset up to 100% of income or license tax liability and the credit may not exceed $500,000 in any one tax year. Unused credits can be carried forward up to five years. In this case, the taxpayer must file the Notice of Intent to Rehabilitate with the Department of Revenue before incurring expenses; or
- a credit against real property taxes equal to 25% of the rehabilitation expenses of an eligible site multiplied by the local taxing ratio of each local taxing entity that has consented to the tax credit. This credit can offset up to 75% of property taxes for a period of up to eight years. To receive this credit, the county or municipality in which the site is located must determine the eligibility of the site and the proposed project. A majority vote of the local governing body must approve the project, and the determinations and approval must be made by public hearing and

ordinance. In this case, the taxpayer must file the Notice of Intent to rehabilitate with the county or municipality before incurring expenses.

Fee-in-lieu of Property Taxes (FILOT): Under this program, companies making substantial capital investments may negotiate a lower assessment ratio and stabilize millage rates for up to 30 years. The long-term savings of the FILOT is based on the actual investment and is dependent on both the assessment and millage rates negotiated with the county.

South Carolina law allows a county to negotiate with a company for a FILOT agreement if total capital investment is $2.5 million or greater. By law, the company has five years to meet the minimum investment threshold, and the county can offer an additional five-year extension to complete the project. The company may include both real and personal property under the FILOT agreement. However, property that has been on the tax rolls in the state previously, including existing buildings, is not eligible for the FILOT. (This restriction is waived for companies investing an additional $45 million or more in new investment.)

The FILOT may result in substantial benefits for a company:

- Savings: Payments to local government are significantly reduced through the negotiation of a lower assessment rate (from 10.5% to as low as 6%).

The company may also negotiate a locked-in millage rate for up to 30 years or a five-year adjustable rate for the property that is subject to the FILOT.

With a FILOT, personal property depreciates, but real property is fixed at the original cost for the life of the fee. However, the county and the company may instead provide that any real property subject to the FILOT may be reported at its fair market value as determined by the appraisal of the South Carolina Department of Revenue and may be reappraised every five years.

- Replacement Property: Property that is replacing property previously under the FILOT is allowed to go under the agreement up to the original income tax basis of the original fee property it is replacing at any time during the agreement.
- Additional Savings for Substantial Capital Investments: If a company is investing more than $400 million, or investing more than $150 million and creating at least 125 net new jobs, a “Super Fee” is negotiable. This fee can further lower the assessment rate to as low as 4%.

Investment Tax Credit: South Carolina allows manufacturers locating or expanding in South Carolina a one-time credit against a company's corporate income tax of up to 2.5% of a company's investment in new production equipment. The actual value of the credit depends on the applicable recovery period for property under the Internal Revenue Code. The credit can be used to offset up to 100% of income tax liability and any unused credits may be carried forward for up to 10 years.

Job Development Credit: The Job Development Credit effectively uses the personal withholding taxes of new employees to reimburse qualifying, approved companies that add value to South Carolina and the community in which they locate. These reimbursements are for eligible capital expenditures (land, building, site development, pollution control equipment, or infrastructure) associated with projects creating new fulltime jobs that also provide health care benefits for South Carolina citizens.

The South Carolina Coordinating Council for Economic Development administers the Enterprise Program. Funds for the Job Development Credits come from state personal income tax withholding that is paid by a company's employees. Employees receive a credit equal to the withholding used by the company; therefore, there is no financial impact on employees. No company will be allowed to claim a credit on any employee whose job was created in this state before the taxable year in which the company was approved for the program. In addition, the Coordinating Council generally caps annual collection at no more than $3,250 per employee per year. The company must enter into a Revitalization Agreement with the Coordinating Council for Economic Development and meet the investment and job creation commitments set forth in the application before it can begin collecting.

To be eligible to apply for the Job Development Credit as a manufacturing facility, a company must:

- Meet the requirements of manufacturing/processing as required for the Jobs Tax Credit;
- Create at least 10 new, full-time jobs;
- Provide full-time employees with a benefits package that includes a comprehensive health plan and pay at least 50% of an eligible employee's cost of health plan premiums; and
- Pay a non-refundable $4,000 application fee, receive a positive cost/benefit certification (the project is of greater benefit than cost to the state) from the Coordinating Council, and pay a $500 annual renewal fee.

Please note that the Coordinating Council will generally only allow companies to collect credits for 10 years, and only on new full-time jobs with wages at or above the current county average wage for the county in which the project is located.

Jobs Tax Credit: The Jobs Tax Credit is a valuable financial incentive that rewards new and expanding companies for creating jobs in South Carolina. In order to qualify, companies must create and maintain a certain number of net new jobs in a taxable year. The number of new jobs is calculated as the increase in the average monthly employment from one year to the next.

A manufacturing facility may qualify for the Jobs Tax Credit by creating a monthly average of 10 net new jobs. The value of the credit depends on the county's development tier.

A county may also join with another county to form a "multi-county industrial park." Under this arrangement, a county agrees to share the property taxes with a "partner" county. This partnership raises the value of the credits by $1,000 per job, meaning credits from $2,500 to $9,000 per job may be available for qualifying companies.

If the company is a manufacturing facility that has fewer than 99 employees worldwide, the company could qualify for the Small Business Jobs Tax Credit by creating a monthly average of 2 net new jobs, instead of 10. Under the Small Business Jobs Tax Credit, the company may only get the full credit amount for net new jobs that pay 120% of the county's average hourly rate.

For jobs that pay less than 120% of the county's average hourly wage rate, credits from $750 to

$4,000 per job (or $1,750 to $5,000 in a multicounty industrial park) may be available for qualifying companies.

For both the Jobs Tax Credit and the Small Business Jobs Tax Credit, the credit is available for a five year period beginning with Year 2 (Year 1 is used to establish the created job levels.) The credit can be applied against corporate income tax or premium tax, but cannot exceed 50% of the year's tax liability. Unused credits may be carried forward for 15 years from the year earned.

Port Volume Increase Credit: South Carolina provides a possible income tax credit or withholding tax credit to manufacturers or distributors or companies engaged in warehousing, freight forwarding, freight handling, goods processing, cross docking, transloading, or wholesale of goods. To be eligible for this credit, a company must have 75 net tons of noncontainerized cargo, 385 cubic meters or 10 loaded

TEUs transported through a South Carolina port facility for their base year and then must increase their port cargo volume by 5% over base-year totals. The base year port cargo volume will be re-calculated every year after the initial base year.

The total amount of tax credits allowed to all qualifying companies is limited to $8 million per calendar year. A company must submit an application to the Coordinating Council to determine its qualification for, the amount of, and the type of any tax credit it will receive. Any unused credits may be carried forward for 5 years.

Corporate Income Tax Moratorium: Companies creating net new jobs in certain of South Carolina's economically distressed counties will benefit from a corporate income tax moratorium. Companies that qualify for the moratorium will be able to entirely eliminate their state corporate income tax liability for a period of either 10 or 15 years. In order to qualify, at least 90% of the company's total investment in South Carolina must be in a county where the unemployment rate is twice the state average. The length of the moratorium depends on the number of net new full-time jobs created. Companies creating at least 100 net new full-time jobs in a five year period qualify for a 10 year moratorium, and companies creating at least 200 net new full-time jobs in a five year period qualify for a 15 year moratorium. The moratorium period begins once a company meets the required job target.

In order to qualify for the moratorium, a company must also obtain certification through an application process from the Coordinating Council that the project will have a significant beneficial effect on the region for which it is planned, and that the benefits of the project to the public exceed its costs. If a company is approved for the moratorium, it must enter into a contract with the Department of Revenue.

For 2017, only Dillon, Marlboro and Jasper Counties have been designated as moratorium counties.

Research & Development Tax Credit: In order to reward companies for increasing research and development activities in a taxable year, South Carolina offers a credit equal to 5% of the taxpayer's qualified research expenses as defined in Section 41 of the Internal Revenue Code.

The credit taken in any one taxable year may not exceed 50% of the company's remaining tax liability after all other credits have been applied. Any unused portion of the credit can be carried forward for 10 years from the date of the qualified expenditure.

Sales Tax Exemptions: South Carolina offers a number of sales tax exemptions including: manufacturing production machinery and repair parts; manufacturing materials that become an integral part of the finished product; coal or other fuel for manufacturers, transportation companies, electric power companies, and processors; industrial electricity and other fuels used in manufacturing tangible personal property; R&D equipment; manufacturers' air, water and noise pollution-control equipment; material-handling equipment in manufacturing and distribution facilities investing at least $35 million; packaging materials; long-distance telecommunications services, including 800 services; and parts and supplies used to repair or condition aircraft owned or leased by the federal government or commercial air carriers. South Carolina also offers an exemption for construction materials used in manufacturing or distribution facilities investing at least $100 million over 18 months.

South Carolina offers a sales tax exemption on computer equipment, software, and electricity (only electricity used for the datacenter) for new or existing data centers (data hosting or processing services) that will:

- invest $50 million (or a must invest a combined $75 million with one or more other companies) at a single location over a five year period;
- create 25 jobs at a single location over the five year period;
- pay employees a wage of at least 150% of the lower of the state or county average per capita wage;
- maintain the 25 jobs for three years after creation; and
- be certified by the Department of Commerce.

In addition to the sales tax exemptions, South Carolina further reduces the tax burden by providing a valuable sales tax cap of $300 on the sale or lease of automobiles, trucks, boats and aircraft to all companies and individuals.

WORKFORCE DEVELOPMENT

readySC™: The state's highly-regarded readySC program, a division of the SC Technical College System, offers an innovative program that provides recruiting and training assistance to companies that are expanding or looking to move to South Carolina. The program works with the state's 16 technical colleges to develop a training curriculum tailored to meet a company's workforce requirements - at no cost to that company. More than a quarter million workers have been trained since the program's inception.

Enterprise Zone Retraining Credit Program: Helps existing industries maintain their competitive edge and retain their existing workforce by allowing them to claim a Retraining Credit for existing production or technology employees who have been continuously employed by the company for at least two years. If approved, companies can reimburse themselves up to 50% of approved training costs for eligible production or technology workers (not to exceed $1,000 per person per year). Reimbursement may be granted (but not limited to) for the following types of training and education of current employees:

- Newly installed equipment

- Newly implemented technology, such as computer platforms, software implementation and upgrades
- New Processes
- New Work Instructions
- Job Redesign
- Quality Standards (ISO,TS)
- Apprenticeship

Apprenticeship Carolina™ Program: The mission of the Apprenticeship Carolina™ program (link is external) is to ensure that all employers in the state have access to the assistance they need to create their own registered apprenticeship programs. Companies with registered programs earn a $1,000 South Carolina state tax credit for each registered apprentice employee who works at least seven months during each year. Students and young adults have the opportunity to work with participating companies across a diverse array of industries from advanced manufacturing to hospitality and healthcare.

On-the-Job Training: On-the-job training provides wage or salary reimbursement from 50-90% (depending on the size of the business) to compensate for costs associated with training new employees. The percentage and length of reimbursement varies based on the size of the company, the specific skills to be acquired for the job and the local workforce area.

Source: https://businessfacilities.com/state-by-state-incentives-guide/
https://www.sccommerce.com/incentives

GEORGIA

TAX INCENTIVES

Child Care Tax Credits: Employers who purchase or build qualified childcare facilities are eligible to receive GA income tax credits equal to 100% of the cost of construction—the credit is spread over 10 years (10% each year). Unused credits from the purchase or construction of a childcare facility can be carried forward three years. The childcare facility must be licensed by the state. Employers who provide or sponsor childcare for employees are eligible for a credit against Georgia income tax equal to 75% of the employer’s direct costs. Credits that are related to the operating cost of the facility may be carried forward five years. All childcare credits can be used against 50% of the taxpayer’s income tax liability in a given year.

Foreign-Trade Zone (FTZ): Georgia is home to multiple FTZ sites and is a recognized leader in working with companies to facilitate use of the program. Importing and exporting are central to many businesses’ success, and the program streamlines those activities and lowers costs. The FTZ program allows qualified companies to defer, decrease, or eliminate duties on materials imported from overseas that are used in products assembled in Georgia.

Georgia Film, Television, and Interactive Entertainment Tax Credit: Film, television and digital entertainment tax credits of up to 30% create significant cost savings for companies producing feature films, television series, music videos and commercials, as well as interactive games and animation. Georgia’s Entertainment Industry Investment Act provides a 20% tax credit for companies that spend $500,000 or more on production and post-production in Georgia, either in a single production or on multiple projects. The state grants an additional 10% tax credit if the finished project includes a promotional logo provided by the state. If a company has little or no Georgia tax liability, it can transfer or sell its tax credits.

Inventory Tax Exemption: Business inventory is exempt from state property taxes (0.10 mills in 2014, with full phase out reached in 2016). Almost all (89%) of Georgia’s counties and over 140 of the cities have adopted a Level One Freeport Exemption, set at 20, 40, 60, 80, or 100% of the inventory value. A Level One Freeport Exemption may exempt the following types of tangible personal property:

- Inventory of goods in the process of being manufactured or produced including raw materials and partly finished goods

- Inventory of finished goods manufactured or produced in Georgia held by the manufacturer or producer for a period not to exceed 12 months
- Inventory of finished goods on January 1 that are stored in a warehouse, dock, or wharf that are destined for shipment outside of Georgia for a period not to exceed 12 months

Investment Tax Credit: Investment tax credits help Georgia businesses grow by making it more affordable to expand and improve facilities. Companies in manufacturing or telecommunications support that have operated in Georgia for at least three years are eligible to earn investment tax credits for upgrades or expansions. Credit earned amounts to 1 % to 8% of qualified capital investments of $50,000 or more. The credit is calculated using two factors:

- Geographic location. Companies in the state's less prosperous counties receive larger credits.
- Type of investment. Companies that invest in recycling equipment, pollution control or in converting a defense plant manufacturing facility to a new product earn tax credits of 3% to 8% of their capital outlay. Investment in general equipment for manufacturing or telecommunications services earns tax credits of 1% to 5%.

Investment tax credits can be used to offset up to 50% of a company's Georgia corporate income tax liability. If the earned credit exceeds that limit, then the unused credit can be carried forward for up to 10 years and applied to future years' tax liability. Companies should compare the benefits of the investment tax credit with those of the job tax credit, as taxpayers are allowed to claim one or the other, but not both.

Job Tax Credit: A job credit is a tax credit that helps fuel company expansion by rewarding job creation. In Georgia, job credits provide as much as $4,000 in annual tax savings per job for up to five years. They're available to businesses (or their headquarters) in seven strategic sectors:

- Manufacturing
- Telecommunications
- Broadcasting
- Warehousing & distribution
- Research & development
- Processing
- Tourism

The exact value of the job credits depends on two factors–how many jobs are created, and where. A downloadable map shows how all Georgia counties and census tracts rank as “economic tiers” based on three factors: unemployment rate, per capita income and percentage of residents whose incomes are below poverty level.

And job credits can apply to any business outside the strategic sectors, provided the jobs are created in Opportunity Zones, Military Zones or Georgia’s 40 least developed counties. Companies should compare the benefits of the job tax credit with those of the investment tax credit, as taxpayers are allowed to claim one or the other, but not both.

Mega Project Tax Credit: The Mega Project Tax Credit is available for companies that employ at least 1,800 net new employees, and either invest a minimum of $450 million or have a minimum annual payroll of $150 million. These qualifying companies may claim a $5,250 per job, per year tax credit for the first five years of each net new job position. Credits are first applied to state corporate income tax; any excess credits are eligible for use against payroll withholding. Credits may be carried forward for 10 years.

If the taxpayer selects the qualified investment property requirement as one of the conditions for its project, the property shall involve the construction of one or more new facilities. A qualified project, including, but not limited to, amounts expended on land acquisitions, improvements, buildings, building improvements, and any personal property to be used in the facility or facilities.

Optional Investment Tax Credits: Optional investment tax credits can provide a long-term, significant tax benefit that rewards growing companies for making major investments in Georgia. The exact value of the optional investment tax credits depends on three factors: how much is invested; where the investment is made in Georgia; and the change in a company’s tax liability.

Port Tax Credit Bonus: The port tax credit bonus rewards new or expanding Georgia companies that increase imports or exports through a Georgia port by at least 10% over the previous or base year. To be eligible for the port tax credit bonus:

- Companies must first meet the requirements of either the job tax credit or investment tax credit programs.
- Base year port traffic must be at least 75 net tons, or five containers, or 10 TEUs (20 foot Equivalent Units). If base year traffic is lower, then these minimums automatically become the base upon which traffic increases are calculated.

The port tax credit bonus is calculated as follows according to which program it is used with:

1. **Job Tax Credit:** An addition of $1,250 (per job) to the job tax credit, which can be taken for five years to reduce or eliminate Georgia corporate income tax liability; or
2. **Investment Tax Credit:** An adjustment in the calculation of the investment tax credit, so that the credit amount is based on the equivalent of a Tier 1 location. (5% of the qualified investment expenses or 8% for recycling, pollution control and defense conversion.)

The port tax credit bonus may offset up to 50% of the company's corporate income tax liability. Unused credits may be carried forward for 10 years–but the increase in port traffic must remain above the qualifying threshold, and the company must continue to meet the requirements for either the Job Tax Credit or the Investment Tax Credit.

Note: The port tax credit bonus cannot be used with Georgia's quality jobs tax credit program.

Quality Jobs Tax Credit: The Quality Jobs Tax Credit is another job tax credit for jobs that pay higher-than-average wages. It can give Georgia companies a significant tax break and help drive growth. The Quality Jobs Tax Credit rewards companies that create at least 50 jobs in a 12-month period— provided the jobs pay wages that are at least 10% higher than the county average for wages. QJTC may be applied against 100% of state corporate income tax liability, and once all corporate income tax liability has been exhausted, the credits may be used to offset the company's state payroll withholding. Unused credits may be carried forward for 10 years from the close of the taxable year in which the qualified jobs were established. New jobs that do not meet the requirements for the QJTC may count toward Job Tax Credits if they meet the eligibility requirements for that program separately.

Research & Development Tax Credits: Research and development (R&D) tax credits are a valuable benefit for companies developing new products and services in Georgia. R&D tax credits are available to any company that increases its qualified research spending. Brand new companies, existing companies embarking on R&D for the first time, established companies expanding their R&D budget–all are eligible for R&D tax credits. The tax credit earned is a portion of the increase in R&D spending. The credit can be used to offset up to 50% of net Georgia income tax liability, after all other credits have been applied. Any unused R&D tax credits can be carried forward for up to 10 years. In addition, excess R&D tax credits can be used against state payroll withholding.

Work Opportunity Tax Credit Program (WOTC): Work Opportunity Tax Credits (WOTC) are federal tax credits awarded to Georgia companies that hire individuals who have consistently faced significant barriers to employment. The Georgia Department of Labor (GDOL) coordinates the WOTC program which provides employers financial incentives when hiring workers from targeted groups of job seekers by reducing an employer's federal income tax liability. The tax credit can be from $1,200 to $9,600 per qualified employee, depending on the target group. The most frequently certified WOTC is $2,400 for each adult new hire.

Targeted groups include:

- Veterans
- Recipients of the Temporary Assistance for Needy Families (TANF) program
- Recipients of Supplemental Nutrition Assistance Program benefits
- Residents who live within Empowerment Zones or Rural Renewal Counties
- Recipients of vocational rehabilitation from a qualifying agency
- Ex-felons
- Recipients of Supplemental Security Income benefit
- Summer youth employee

To qualify for the tax benefit, companies must first receive certification from Georgia's Department of Labor, which administers the program in Georgia.

WORKFORCE DEVELOPMENT

Centers of Innovation: Georgia's six Centers of Innovation provide unique, technology-oriented support to businesses and start-ups in the areas of Aerospace, Agribusiness, Energy, Life Sciences & IT, Logistics and Advanced Manufacturing. Each center provides direct access to university and technical college applied research, commercialization resources, technology connections, matching grant funds, potential investor networks and key government agencies. Client companies are connected with industry-specific experts who are on the leading edge of technology and new ideas.

Hiring Assistance: Georgia's Department of Labor (GDOL) assists companies in recruitment by posting job notices, collecting and screening applications and/or résumés, providing interview space, scheduling interviews and hosting job fairs. GDOL will work with private employment agencies that list jobs with the state.

Quick Start Employee Training: Provides customized training 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. Quick Start provides training space, instructors and all needed materials related to the program, potentially saving companies millions of dollars in training costs. See georgiaquickstart.org

Retraining Tax Credit: Retraining tax credits enable Georgia businesses to offset their investment in employees. Whether retraining workers to use new equipment or new technology or upgrading the company's competitiveness with ISO 9000 training, companies can afford more training, more often, thanks to Georgia's tax credit program.

Businesses can receive a tax credit of 50% of their direct training expenses, with up to $500 credit per full-time employee, per training program. The annual maximum of the credit amounts to $1,250 per employee. Eligible expenses include:

- costs of instructors and teaching materials
- employee wages during retraining
- reasonable travel expenses

Retraining tax credits can be used to offset up to 50% of a company's Georgia corporate income tax liability. If the earned credit exceeds that limit, then the unused credit can be carried forward for up to 10 years and applied to future years' tax liability. Any business that files a Georgia income tax return is eligible for the retraining tax credit. To qualify, training programs must be designed to enhance quality and productivity or teach certain software technologies. To qualify for the credit, retraining expenses must be approved by the Technical College System of Georgia.

University System of Georgia Economic Development: The Board of Regents of the University System of Georgia created an Office of Economic Development in 1995. The System's Economic Development staff, working with a team of economic development leaders from each campus, bridges the intellectual resources of Georgia's 31 public college and universities to the Georgia Department of Economic Development and the state's business community in innovative ways. Georgia businesses can connect with college-educated talent, the latest research and business and operations advice.

Source: https://businessfacilities.com/state-by-state-incentives-guide/

http://www.georgia.org/competitive-advantages/tax-credits/

FLORIDA

FINANCING

Brownfield Redevelopment Bonus Refund: Available to encourage Brownfield redevelopment and job creation. Approved applicants receive tax refunds of up to $2,500 for each job created. Florida offers incentives to businesses that locate in Brownfield sites—underutilized industrial or commercial sites with an executed Brownfield Site Rehabilitation Agreement (BSRA).

Economic Development Transportation Fund: Commonly referred to as the Road Fund, it is an incentive tool designed to alleviate transportation problems that adversely impact a specific company's location or expansion decision. The award amount is based on the number of new and retained jobs and the eligible transportation project costs, up to $3 million. The award is made to the local government on behalf of a specific business for public transportation improvements.

Governor's Quick Action Closing Fund: The Quick Action Closing Fund (Closing Fund) is a discretionary grant incentive that can be accessed by Florida's Governor to respond to unique requirements of wealth-creating projects. When Florida is vying for intensely competitive projects, Closing Funds may be utilized to overcome a distinct, quantifiable disadvantage after other available resources have been exhausted.

High Impact Performance Incentive: A negotiated grant used to attract and grow major high impact facilities in Florida. Grants are provided to pre-approved applicants in certain high-impact sectors. In order to participate in the program, the project must: operate within designated high-impact portions of the following sectors—advanced manufacturing, clean energy, corporate headquarters, financial services, life sciences, semiconductors, and transportation equipment manufacturing; create at least 50 new full-time equivalent jobs (if R&D facility, create at least 25 new full-time equivalent jobs) in Florida in a three-year period; and make a cumulative investment in the state of at least $50 million (if R&D facility, make a cumulative investment of at least $25 million) in a three-year period.

Rural Community Development Revolving Loan Fund: Program established within the Department of Economic Opportunity (DEO) to facilitate the use of existing federal, state and local financial resources to promote the economic viability of rural communities. The program provides long-term loans, loan guarantees and loan loss reserves. Generally, the interest rate will not exceed 5% per annum; and the commitment fee for a guaranty will not exceed 3%. The Director of DEO makes the final decisions on projects including all terms and conditions of the loan. Eligible Projects/Expenditures:

- Any public purpose project may be acquired, constructed or improved with the assistance of the program.
- Projects must result in the creation or retention of jobs, the maintenance of existing industry or economic activity or the expansion or diversification of the local economic base.
- Eligible uses of loan proceeds include: the purchase of equipment; the acquisition, construction or improvement of buildings; acquisition of land, water/sewer projects.

Rural Infrastructure Fund Grant: To facilitate the planning, preparing and financing of traditional economic development or nature-based tourism infrastructure projects that encourage job creation and capital investment in rural communities. The DEO may award up to 40% of total costs for catalyst site projects, and no more than 30% of total costs for projects in rural counties that are not located on designated catalyst sites. The three types of grants available under the Rural Infrastructure are as follows:

- Total Project Participation Grants – Up to 30% of the total infrastructure project costs related to specific job-creating opportunities.
- Infrastructure Feasibility Grants – Funding for infrastructure feasibility studies, design and engineering or other planning and preparation activities that will help facilitate the location or expansion of specific job-creating opportunities. Grant awards are dependent on the number of jobs a business commits to create; project location; and the degree to which administrative and consultant expenses are minimized.
- $50,000 (max.) for projects creating at least 100 jobs.
- $150,000 (max.) for projects creating at least 300 jobs.
- $300,000 (max.) for projects in a Rural Area of Opportunity (RAO).

Please Note: Feasibility Grants may be used in conjunction with Total Project Participation Grants. The total of both grants may not exceed 30% of the total project cost.

- Preclearance Review Grants – This grant is used to help local governments access resources available pursuant to section 403.973(18), F.S. (Expedited permitting; comprehensive plan amendments). Grants may be used for surveys, feasibility studies and other activities related to the identification and preclearance review of land use modifications. Available funding and the required match are dependent on the location of the project and the degree to which administrative and consultant expenses are minimized.

- $75,000 (max.) with a 50% local match.
- $300,000 (max.) with a 33% local match for activities in a RAO.

Urban Incentives: Florida offers increased incentive awards and lower wage qualification thresholds for businesses locating in many urban core/inner city areas that are experiencing conditions affecting the economic viability of the community and hampering the self-sufficiency of the residents.

TAX INCENTIVES

Capital Investment Tax Credit (CITC): Used to attract and grow capital-intensive industries in Florida. It is an annual credit, provided for up to 20 years, against the corporate income tax. Eligible projects are those in designated high-impact portions of the following sectors: advanced manufacturing, clean energy, corporate headquarters, financial services, life sciences, semiconductors and transportation equipment manufacturing. Projects must also create a minimum of 100 jobs and invest at least $25 million in eligible capital costs.

Electricity Tax Exemption: The Electricity Tax Exemption is applied to 100% of the electricity purchased if 75% or more is used to operate machinery and equipment at a fixed location to manufacture, process, compound, produce, or prepare for shipment items of tangible personal property for sale, or to operate pollution control equipment, recycling equipment, maintenance equipment, or monitoring or control equipment used in such operations. The exemption is applied to 50% of the electricity or steam purchased if 50% to 75% is used in manufacturing. No separate metering is required.

Manufacturing Machinery and Equipment Sales Tax Exemption: Manufacturers are eligible for a 100% exemption of the sales and use tax on manufacturing machinery and equipment. In order to qualify for the new business exemption, the machinery and equipment must have been purchased, or a purchase agreement made, prior to the date the business first begins to produce a product for inventory or immediate sale. If a purchase agreement was made prior to the beginning of production, such machinery and equipment must be received within twelve months of the date that production began.

Qualified Defense and Space Contractor Tax Refund (QDSC): Florida is committed to preserving and growing its high technology employment base by giving Florida defense, homeland security, and space business contractors a competitive edge in consolidating contracts or subcontracts, acquiring new contracts, or converting contracts to commercial production. Pre-approved applicants creating or retaining jobs in Florida may receive tax refunds of $3,000 per net new Florida full-time equivalent job created or retained; $6,000 in a rural county. For businesses paying 150 percent of the average annual wage, add $1,000 per job; for businesses paying 200 percent of the average annual salary, add $2,000 per job.

Qualified Target Industry Tax Refund Incentive (QTI): Available for companies that create high wage jobs in targeted high value-added industries. This incentive includes refunds on corporate income, sales, ad valorem, intangible personal property, insurance premium and certain other taxes. Pre-approved applicants who create jobs in Florida receive tax refunds of $3,000 per net new Florida full-time equivalent job created; $6,000 in a Rural Community (county). For businesses paying 150% of the average annual wage, add $1,000 per job; for businesses paying 200% of the average annual salary, add $2,000 per job; businesses falling within a designated high impact sector or increasing exports of its goods through a seaport or airport in the state by at least 10% in value or tonnage in each year of receiving a QTI refund, add $2,000 per job; projects locating in a designated Brownfield area with an executed Brownfield Site Rehabilitation Agreement (Brownfield Bonus) can add $2,500 per job.

WORKFORCE DEVELOPMENT

FloridaFlex (formerly known as Quick Response Training): An employer-driven training program designed to assist new value-added businesses and provide existing Florida businesses the necessary training for expansion. A state educational facility—community college, area technical center, school district or university—is available to assist with application and program development or delivery. The educational facility will also serve as fiscal agent for the project. The company may use in-house training, outside vendor training programs or the local educational entity to provide training. Reimbursable training expenses include: instructors'/trainers' wages, curriculum development, and textbooks/manuals.

Incumbent Worker Training Program (IWT): Provides training to currently employed workers to keep Florida's workforce competitive in a global economy and to retain existing businesses. The program is available to all Florida businesses that have been in operation for at least one year prior to application and require skills upgrade training for existing employees. Priority is given to businesses in targeted industries, HUB Zones, Inner City Distressed areas, Rural Counties and areas and Brownfield areas.

Source: https://businessfacilities.com/state-by-state-incentives-guide/
https://www.enterpriseflorida.com/why-florida/business-climate/incentives/