ECONOMIC DEVELOPMENT INCENTIVES

OF THE FIFTY STATES

State Tax, Financial and Workforce Development Incentives

Mountain West Region:

Compiled by the New Mexico Economic Development Department

New Mexico State Data Center: www.nmstatedatacenter.com

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ARIZONA

FINANCING

Arizona Innovation Accelerator Fund: The Arizona Innovation Accelerator Fund is an $18.2 million loan participation program funded through the U.S. Department of Treasury's State Small Business Credit Initiative (SSBCI) and managed by the Arizona Commerce Authority (ACA). The goal of this program is to stimulate financing of small businesses and manufacturers, while fostering business expansion and job creation in the state of Arizona.

Arizona Innovation Challenge (AIC): he Arizona Innovation Challenge (AIC), powered by the Arizona Commerce Authority, awards the most money in the country for a technology commercialization challenge – $3 million ($1.5 million twice yearly) to the world's most promising technology ventures. Awards range from $100,000 to $250,000 per company.

The results? A big-time investment in the most talented entrepreneurs. Bringing to market products that are literally changing the way the world works. Driving wealth and job creation for the state of Arizona.

TAX INCENTIVES

Angel Investment Tax Credit: Subject to funding, an income tax credit of up to 35% is available for investments of at least $25,000 in small businesses certified under the program by the Arizona Commerce Authority. Additionally, capital gains derived from a qualified investment under the Angel program are exempt from taxation in Arizona.

Commercial and Industrial Solar Tax Credit: An eligible applicant is a business that purchases a solar energy device and causes the device to be installed at a facility at which the business operates. Tax credits generally equal 10% of the installed cost of the solar energy device up to $25,000 in tax credits for one facility in a single tax year and up to $50,000 in total tax credits for one business in a single tax year. Tax credits can be used to offset Arizona income tax liability; any unused credit amounts can be carried forward for up to five tax years.

The ACA cannot certify tax credits under the Solar Program in excess of $1 million in any calendar year. Therefore, tax credits are allocated on a first-come, first-served basis, according to the date of receipt of a substantially complete preapproval application.

Computer Data Center (CDC) Tax Exemptions: Sales and use tax exemptions, for up to 20 years, in connection with purchases of CDC equipment by owners, operators and co-location tenants of computer data centers certified by the Arizona Commerce Authority. Investment requirements at a new or expanding CDC:

- $50 million in new investment if the CDC is located in Maricopa or Pima county; or
- $25 million in new investment if the CDC is located in any other county.

Foreign Trade Zone (FTZ): Businesses located in a zone or sub-zone are eligible for up to a 72.9 percent reduction in state real and personal property taxes.

Military Reuse Zone (MRZ): Various incentives for businesses operating in one of two MRZs in Arizona (the Williams Gateway Airport in Mesa and the Phoenix/Goodyear Airport in Goodyear):

- Transaction Privilege Tax Exemption Exemption from transaction privilege tax on contracts for certain types of construction at an MRZ.
- Tax Credits Arizona income/premium tax credits for up to five years for each net new job created, totaling up to $7,500 per non-dislocated employee and up to $10,000 per dislocated employee.
- Property Reclassification Both real and personal property can be reclassified from class one (18% assessment ratio) to class six (5% assessment ratio), which may result in property tax savings of up to 75% for a period of five years.

Private Activity Bonds: Issued to finance construction and equipment purchases associated with industrial and manufacturing facilities, residential rental projects, facilities for the furnishing of water, sewage and solid waste facilities and more. Interest on private activity bonds may be exempt from federal income tax for most bondholders.

Qualified Facility Tax Credits: The Arizona Commerce Authority (ACA) may authorize up to $70 million per calendar year in tax credits to qualified companies beginning January 2013 through December 2022. The tax credits will be authorized on a first-come, first-served basis, according to a priority placement number assigned by the ACA at the time of Pre-Approval. It is important to note that the program cap ($70MM) is shared between the Qualified Facility program and the Renewable Energy Tax Incentive program.

Refundable income tax credit for a manufacturing facility or a manufacturing-related research or headquarters facility. The credit is equal to 10% of the capital investment in a new or expanding facility or $20,000 per qualified new job created, whichever is less. 51% of the new jobs at the facility must pay wages of at least 125% of the state median and offer health insurance for which the employer pays at least 80% of the premiums.

Quality Jobs Tax Credit: $9,000 nonrefundable income tax credit for each qualifying new job, claimed $3,000 per year for three years. Eligibility requirements are as follows:

- Metro locations: Capital investment of at least $5 million and at least 25 qualifying new jobs.
- Rural locations: Capital investment of at least $1 million and at least 5 qualifying new jobs.

Renewable Energy Investment and Production for Self-Consumption by Manufacturers Tax Credit: Nonrefundable income tax credits for manufacturers that, over a three year period, invest at least $300 million in new renewable energy facilities in Arizona that generate energy for self-consumption using renewable energy resources.

Renewable Energy Production Tax Credit: Nonrefundable income tax credit for utility-scale generation systems based on the amount of electricity produced annually for a 10-year period using solar light, solar heat, wind or certain types of biomass. The income tax credits established are intended to promote investment in renewable energy production using low-emission and zero-emission electricity generation technologies. The credits are only for qualified energy generators with at least 5 megawatts generating capacity.

Renewable Energy Tax Incentive Program: Refundable income tax credit for manufacturing facilities or headquarters facilities for businesses primarily engaged in manufacturing renewable energy equipment. The credit is equal to up to 10% of the capital investment in a new or expanding facility. 51% of the new jobs at the facility must pay wages of at least 125% of the state median and offer health insurance for which the employer pays at least 80% of the premiums.

Research and Development Tax Credit: Income tax credit for investing in R&D in Arizona. The R&D tax credit is equal to 24% of the first $2.5 million in qualifying expenses plus 15% of the qualifying expenses in excess of $2.5 million. The credit is equal to 34% of qualifying expenses when made in conjunction with an Arizona public university. Companies with fewer than 150 employees worldwide can apply to the Arizona Commerce Authority for approval of a refund of 75% of the current year's excess credit amount in lieu of carrying the excess credit forward.

Sales Tax Exemptions for Manufacturing: Exemptions are available for:

- Machinery/Equipment used directly in manufacturing.
- Equipment or transmission lines used directly in producing or transmitting electrical power, but not including distribution.
- Machinery or equipment used in research and development.
- Electricity and natural gas used by businesses principally engaged in manufacturing or smelting operations.

Solar Liquid Fuel Tax Credit: Nonrefundable tax credit for increased research and development activity related to solar liquid fuel. The credit is equal to 40% of the amount exceeding the excess, if any, of the qualified research expenses for the taxable year over the base amount as defined in section 41(c) of the internal revenue code.

WORKFORCE DEVELOPMENT

Job Training Grants: Reimbursable grant awarded competitively to employers implementing job-specific training to full-time employees. Grants for both New Employee training and Incumbent Employee training (if applicable): (i) will provide (a) up to $8,000 of eligible training costs per employee-trainee in the case of rural employers and employers with fewer than 100 employees and (b) up to $5,000 of eligible training costs per employee-trainee in the case of all other employers, (ii) the maximum grant amount for an employer in all cases will be $1.5 million and (iii) the maximum grant term in all cases will be 24 months.

Robust Workforce Development Assistance: No-cost workforce assistance:

- Immediate access to job-ready talent pools
- Skill assessments and talent screening
- Human Resource consulting on Arizona's labor laws
- Custom recruiting services
- Transition and retention services
- Training grants for new hires and incumbent employees

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

http://www.azcommerce.com/locate/incentives

COLORADO

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Advanced Industry Grant Program (AI): The Advanced Industries (AI) Accelerator Programs were created in 2013 to promote growth and sustainability in these industries by helping drive innovation, accelerate technology commercialization, encourage public-private partnerships, increase access to early stage capital and create a strong ecosystem that increases the state¹s global competitiveness. The program provides Proof of Concept Grants to research institutions with technology transfer offices, early stage companies and to non-profits that provide infrastructure that fills gaps in the AI ecosystems and can be used as matching dollars for federal funds.

Advanced Industries Export Grant: The Advanced Industries Export Grant is a Colorado financial assistance program for aspiring and current exporters in Colorado¹s Advanced Industries (Aerospace, Bioscience, Electronics, Energy and Natural Resources, Infrastructure Engineering, Technology and Information and Advanced Manufacturing). The grant program supports small- and medium-sized businesses in the advanced industries and offsets international business development and related marketing costs. The program encourages small and medium-sized Colorado businesses to develop export markets.

Bioscience Discovery Evaluation Grants: The Bioscience Discovery Evaluation Grant Program (BDEGP) aids in the growth of the bioscience industry in Colorado. The program advances new technologies from the lab toward commercial products and services, supporting innovation, company formation, and job creation. Effective 1/1/15, this program merges with the Advanced Industries Accelerator program.

Cash Collateral Support (CCS) SSBCI: Cash Collateral Support (CCS) creates greater access to capital for small- and medium-sized businesses operating in Colorado that are experiencing difficulty securing credit due to collateral shortfalls. CCS uses small amounts of public resources to encourage private lender financing. The program provides a deposit of cash as collateral for a business loan or credit facility when a business cannot meet the lender¹s collateral requirements.

Certified Capital Companies Program (CAPCO): makes venture capital funds available to new or expanding small businesses throughout Colorado. The program encourages new business development and expansions of businesses by making a $75 million statewide pool available for investment throughout Colorado, and a $25 million rural pool available for investment in designated rural counties in Colorado. The CAPCO Program is anticipated to create new employment opportunities within the state and to stimulate economic growth.

Colorado Capital Access (CCA) SSBCI: Colorado Capital Access (CCA) creates greater access to capital for small- and medium-sized businesses operating in Colorado by using small amounts of public resources to encourage financing by eligible lenders (such as banks and community development financial institutions). CCA is a credit enhancement that helps reduce the risk of loan losses by partially funding a loan loss reserve at each participating lender.

Colorado Credit Reserve (CCR): The Colorado Credit Reserve Program increases the availability of credit to small businesses in Colorado by establishing a pooled loan-loss reserve fund that banks or sponsored lending entities may access to recover losses associated with loans registered with the program.

Community Development Block Grant (CDBG) Business Loan Funds (BLFs): The Business Loan program is responsible for promoting and fostering economic development efforts at the local level by providing financial assistance in the form of loans and loan guarantees to businesses in their respective regions. The loan program is locally driven, with each loan fund having its own local loan review committee and local Board of Directors. Colorado uses federal funds and Community Development Block Grant Funds (CDBG Funds) it receives to provide funding to aid the state[1]s Business Loan Funds.

Community Development Block Grant Disaster Recovery (CDBG-DR): The CDBG-DR grant will support recovery efforts in 18 Presidentially declared flood-impacted counties, with a majority of the funds going to the most impacted counties: Boulder, Larimer and Weld. Programs will focus on housing, public infrastructure, long-term planning and economic development and, as stipulated by the grant, 50% of the funds will be distributed to low- and moderate-income households.

Community Development Block Grant Disaster Recovery (CDBG-DR) Tourism Marketing Grant: The Tourism Marketing Grant Program will assist non-profit and quasi-governmental entities to promote tourism and visitor-related jobs, job retention and/or economic impact in the Flood Designated Disaster Area as previously defined. These marketing promotional grant funds will be distributed to entities that have tourism and visitor related business communities in their jurisdictions that have suffered concentrated economic losses that have a large impact on the local economy relative to the size of the community.

Community Development Block Grant (CDBG) Planning and Feasibility Studies: CDBG Planning and Feasibility Study grant program provides funding to determine the feasibility of a project or to plan for a project to be located in Colorado. These projects need to meet an economic development objective and create or retain permanent jobs primarily for low- and moderate-income persons.

Private Activity Bonds: The Manufacturing Revenue Bond Program provides favorable, tax-exempt Private Activity Bond financing to small manufacturers in Colorado. The program helps finance real estate, machinery and equipment associated with expansion projects that are specific to manufacturers. The Colorado Department of Local Affairs and the Colorado Housing and Financing Authority offer Private Activity Bond Financing for small manufacturers, and the Colorado Department of Agriculture offers Private Activity Bond Financing for small agricultural manufacturers.

Regional Tourism Act (RTA): The Regional Tourism Act establishes a program that gives local governments the opportunity to apply to the Economic Development Commission (EDC) for approval of a large scale Regional Tourism Project that is of an extraordinary and unique nature, is anticipated to result in a substantial increase in out-of-state tourism, that generates a significant portion of the sales tax revenue by transactions with nonresidents of the state and is unlikely to occur without an RTA award. The final year of selecting new recipients to the program is 2014/2015, although OEDIT and the EDC will have an ongoing monitoring role with the program for the next 30+ years.

Rural Jump-Start Program: The Rural Jump-Start Zone program is a tax relief program for new businesses and new hires who locate into certain designated areas called Jump-Start zones. Participating businesses are exempt from Colorado state income taxes, the state sales & use tax, and county and municipal personal property taxes, and certain employees of these businesses are exempt from Colorado state income taxes. Participating businesses must not currently be operating in Colorado, must be part of the economic base, and must not directly compete with the core function of an existing Colorado company.

Strategic Cash Fund Incentive (SF): The Strategic Fund Cash Incentive program is a performance-based grant for the creation of net new jobs in Colorado that meet certain requirements. The program supports and encourages new business development, business expansions and relocations that have generated new jobs throughout the state. The Strategic Cash Fund also provides support for initiatives pertaining to key industries or regional development. The lead role in working with customers and presenting the program to the EDC is undertaken by the Corporate Development team and OEDIT assists in this role, provides a financial analysis of applicants, negotiates contracts and calculates incentive payments.

Venture Capital Authority (VCA): The VCA is a venture capital funding program designed to fill a gap in private capital markets and provide seed and early stage capital investments in Colorado companies with the potential for rapidly scaling their businesses. The managing partner, HCV, has the final decision making authority as to whether to invest in such business.

TAX INCENTIVES

Advanced Industry Investment Tax Credit (AIITC): Issues tax credits to investors who make equity investments in advanced industry startups. This program is based on the same seven advanced industries as the Advanced Industry Accelerator Grant program. Credits are limited, both at the individual level and the program level.

Aviation Development Zone Tax Credit (ADZ): A business or any portion of a business that is involved in the maintenance and repair, completion or modification of aircraft located within the boundaries of an airport designated as an Aviation Development Zone may qualify for a state income tax credit of $1,200 per new full-time employee.

Biotechnology Sales and Use Tax Refund: Colorado promotes its biotechnology industries by providing them with a taxpayer-friendly means to recover the sales and use previously paid tax expenses on equipment and supplies used for research and development.

Enterprise Zone Tax Credits (EZ): Colorado[1]s Enterprise Zone (EZ) program provides tax incentives that bring economic development to economically distressed areas of the State. Incentives encourage businesses to locate and expand in enterprise zones and encourage public/private partnerships for economic and community development projects.

Historic Preservation Tax Credit (HPTC): The Historic Preservation Tax Credit is a resalable tax credit to the owners of designated commercial properties that do a certified rehabilitation of their property. The program is jointly administered by History Colorado and OEDIT and will start accepting applications in July 2015, and can start reserving tax credits in January 2016. Owners can apply for multiple properties, although there is a limit of $1 million per year on any given property. Since there are limits on the total credits the program can reserve each year, applications will be processed on a first come, first served basis.

Job Growth Incentive Tax Credit (JGITC): Job Growth Incentive Tax Credit is a performance-based program that provides state income tax credit to businesses that create new jobs that would not have occurred in Colorado without this program. The lead role in working with customers and presenting the program to the EDC is undertaken by the Corporate Development team and OEDIT assists in this role, provides a financial analysis of applicants, negotiates contracts and calculates incentive payments.

Local Government Incentives: Local governments can provide property tax credits or incentive payments based on the amount of increased property taxes for qualifying new business activity in their jurisdictions.

Manufacturing Sales and Use Tax Exemption: Colorado encourages manufacturers to locate their manufacturing operations in Colorado, recognizing their importance to the state[1]s economy. Colorado provides an exemption from state sales and use tax on purchases of manufacturing machinery, machine tools and parts.

Public Infrastructure Grants: The Infrastructure Assistance program is designed to create new permanent jobs and retain existing jobs, primarily for low- and moderate-income persons by offering grants to build out publically owned infrastructure which is needed to serve a business (e.g. rail spurs, utilities etc.).

Sales Tax Exemption on Components for Production of Energy from Renewable Energy Sources: Components used in the production of electricity from a renewable energy source, including wind, are exempt from state sales and use tax. Components used in solar thermal systems are also exempt from state sales and use tax.

Film Incentive Program: The Office of Film, Television & Media attracts and facilitates content creation in the state in order to generate economic growth and job creation in all of its communities. The office administers a 20% performance-based rebate.

WORKFORCE DEVELOPMENT

Colorado FIRST/Existing Industry Customized Training Programs: Colorado First and Existing Industry grants are jointly administered by OEDIT and the Colorado Community College System. By paying costs incurred by businesses associated with job training, the programs increase transferable job skills that support Colorado Company[1]s competitiveness, the state[1]s ability to attract businesses and enhance worker[1]s resumes and long-term employment opportunities.

Procurement Technical Assistance Center (PTAC): The Colorado Procurement Technical Assistance Center (PTAC) Program provides specialized and professional technical assistance at no cost to businesses that are seeking to pursue and successfully perform under contracting and subcontracting opportunities with federal, state and local governments.

Source: https://businessfacilities.com/state-by-state-incentives-guide/
http://choosecolorado.com/doing-business/incentives-financing/

IDAHO

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Community Development Block Grants (CDBG): CDBG's help cities, with a population of less than 50,000, with infrastructure improvements in support of business development in order to retain and create jobs. Award amounts are limited to a maximum of $500,000. Eligible activities include, but are not limited to:

- Acquisition of real property which is deteriorated or underdeveloped
- Construction or rehabilitation of public facilities and other site improvements

Gem Grant: The GEM grant helps small communities, with a population of 10,000 or less, fund community development projects for the purpose of:

- Improving the local economy
- Retaining or creating jobs
- Promoting the community for economic development and tourism
- Assisting business expansion and diversification

The maximum amount that can be awarded is $50,000.Communities must provide a minimum of 20% matching funds of either cash or in-kind donations for the total amount of GEM grant funds received. The GEM grant is a cost reimbursement program.

Opportunity Fund: The Idaho Opportunity Fund (IOF) is a discretionary grant program that was established in 2013 with the intent of serving as a “deal closing fund” to strengthen Idaho's competitive ability to support expansion of existing Idaho businesses and recruit new companies to the state, ultimately creating new jobs and economic growth in Idaho. Beyond the requirements of other grant programs offered through the state of Idaho, the Idaho Opportunity Fund requires three key components:

1. *Eligible Applicants:* Idaho local governments (cities, counties, towns, etc.)
2. *Eligible Projects:* The Director of the Department of Commerce may, in his sole discretion, award Idaho Opportunity Fund grants to local governments for public costs incurred with the purpose to retain, expand or attract jobs to the State of Idaho. Eligible projects include:

- Construction of, or improvements to, new or existing water, sewer, gas or electric utility systems for new or existing buildings to be used for industrial or commercial operations.
- Construction, upgrade or renovation of other infrastructure related items including, but not limited to, railroads, broadband, parking lots, roads or other public costs that are directly related to specific job creation or expansion projects.
- Flood zone or environmental hazard mitigation.

3. *Community Match:* The local government must be able to provide allowable match in a negotiated amount that represents a material commitment from the local government that is commensurate with the local government's financial condition. The Director of the Department of Commerce has the authority to approve alternate forms of match or waive local match requirements.

Rural Community Block Grants (RCBG): RCBG's help rural communities, with a population of 25,000 or less, counties and Tribes with infrastructure improvements in support of business development in order to retain and create jobs. Award amounts are limited to a maximum of $350,000. Eligible activities include, but are not limited to:

- Expand the capacity of infrastructure, usually water, sewer or streets, or other infrastructure utilities to a specific business expansion or new location, that will result in job creation
- Rehabilitate privately owned existing buildings or structures used for business, commercial, or industrial purposes
- Eliminate conditions which impair economic growth or present an economic liability to the area

<u>TAX INCENTIVES</u>

$100,000 Personal Property Tax Exemption: Businesses are allowed a personal property tax exemption on the first $100,000 of personal property.

3% Investment Tax Credit: Businesses that make qualifying new investments may earn an income tax credit. This credit can offset up to 50% of a company's state income tax liability and may be carried forward up to 14 years. To qualify:

- Qualifying property is new or used depreciable property. Idaho adopted the definition of qualifying property found in Internal Revenue Code (IRC) Sections 46(c) and 48 in effect prior to 1986 for this credit.
- The depreciable life must be three years or more.
- Property not used in Idaho and vehicles under 8,000 pounds gross weights do not qualify.

Property used in a trade or business that does qualify includes:

- Tangible personal property-machinery and equipment.
- Other tangible property used as an integral part of manufacturing, production, extraction, furnishing, transportation, communications, utility services, or research facilities and bulk storage facilities used in connection with those businesses.
- Elevators and escalators.
- Single purpose agricultural or horticultural structures, such as a commercial greenhouse or a milking barn.
- Certain qualified timber property.
- Petroleum storage facilities.

Property that does not qualify includes:

- Buildings and their structural components.
- Property used primarily for lodging. This is an apartment house or other facility where sleeping accommodations are provided and rented. The rental period is normally more than 30 days. (Tangible personal property used in a facility that rents rooms for a period of less than 30 days does qualify.)
- Property expensed under Section 179, IRC.
- Property subject to 60-month amortization.
- Used property:
    - not acquired by purchase; or
    - in excess of $150,000; or

- acquired from a related person. This includes a person acquiring property they used prior to the acquisition.
- Property that is either non-depreciable or has a useful life of fewer than three years.
- The portion of property that is for personal use.
- Horses

5% Research and Development: Businesses conducting basic and qualified research may earn an income tax credit of 5% that may be carried forward up to 14 years.

Aircraft Sales Tax Exemption: Certain materials, parts and components installed on certain aircrafts are exempt from the sales and usage tax. These exemptions are as followed: Sale, lease, purchase, or use of aircraft primarily used to provide passenger or freight services for hire as a common carrier and air ambulance services. To qualify:

- A Person operating the aircraft must obey Idaho, federal and foreign laws.
- Aircraft is used to provide services indiscriminately to the public.
- Aircraft itself transports the person or property from one location on the ground or water to another.
- Aircraft will be taken from the point of delivery to a point outside of Idaho.
- Aircraft will not be used in Idaho for more than 90 days in any 12-month period.
- Repair and replacement materials and parts installed in or affixed or applied to, or sold, leased or purchased must adhere to industry standards and federal aviation administration (FAA) approved materials. Parts and components installed on non-resident privately owned aircraft by qualified employees of an FAA approved Idaho repair station are exempt. (Tools and equipment used in remodeling, repair or maintenance are not exempt.)

Broadband Income Tax Credit: Businesses that purchase qualified broadband equipment and infrastructure for the benefit of end users in Idaho may earn a 3% income tax credit up to $750,000. This credit is transferable and may be carried forward up to 14 years.

Business Inventory and Computer Software Tax Exemption: Tangible personal property is tax exempt. Computer software that is delivered electronically, remotely accessed, or delivered by the ‘load and leave’ method the vendor loads the software at the user’s location but does not transfer any tangible personal property containing the software to the user, is exempt from Idaho sales and use tax.

Business Advantage Incentive Package: Businesses that invest a minimum of $500,000 in new facilities and create at least 10 new jobs averaging $40,000 annually plus benefits may qualify for a variety of incentives. To qualify:

- The business must create at least 10 new jobs paying on average $40,000/year ($19.23/hour) plus benefits.
- The average wage of any additional new employee during project period must be $15.50/hour plus benefits
- The business must invest $500,000 in new facilities
- Project period ends when facilities put into service

Incentives:

- Investment Tax Credit of 3.75% – The credit is limited to 62.5% of the taxpayer’s tax or $750,000 whichever is less for the taxable year. Can be carried forward 14 years.
- Real Property Improvement Tax Credit of 2.5% – A nonrefundable credit against income taxes that is allowed on new plant and buildings and structural components that do not qualify for ITC. The credit cannot exceed $125,000 in any one taxable year and has a 14-year carry forward provision.
- New Jobs Income Tax Credit – This credit can be applied for new jobs according to the following scale:
  - 24.04/hr to 28.85/hr = $1500/job
  - 28.86/hr to 36.06/hr = $2000/job
  - 36.07/hr to 43.27/hr = $2500/job
  - 43.28/hr or more = $3000/job

Employee must work 9 months before credit applies.

- Sales and Use Tax Rebate – A 25% rebate is available on all sales and use tax that the taxpayer or its contractors actually paid for any property constructed, located or installed within the project site during the project period.

- Small Employer Growth Incentive Exemption – Local county commissions have the authority to exempt all or a part of the new investment value from property taxes for a determined period of time.

Project period – no earlier than January 1, 2006 ending December 31, 2020.

Clean Room Sales Tax Exemption: Any tangible personal property that is used exclusively used in a clean room or to maintain the environment of a clean room, is exempt from sales tax.

Goods-In-Transit Tax Exemption: The state's free port law provides that goods in-transit (goods purchased by a carrier in its business and delivered outside the state under a bill of lading for use by the carrier in its business) are exempt from taxation.

Industrial Revenue Bonds: An Industrial Revenue Bond (IRB) differs from traditional government revenue bonds as the bonds are issued on behalf of a private sector business. IRBs are typically used to support a specific project, such as a new manufacturing facility. The bond issue is created and organized by a sponsoring government, with the proceeds used by the private business. The business is responsible for bond repayment. The sponsoring government holds title to the underlying collateral until the bonds are paid in full. This arrangement provides tax exempt status to the bonds, and many times a property tax exemption on the collateral. The sponsoring government is not responsible for bond repayment and the bonds do not affect the government's credit rating. IRBs are desired as the private business receives a lower interest rate (due to the bonds tax-exempt status), a property tax exemption, and a long-term, fixed rate financing package.

Bond proceeds may be used for a variety of purposes, including land acquisition, building construction, machinery and equipment, real estate development fees, and the cost of bond issuance. In the United States IRBs are governed by IRS statute and include the following provisions:

- The maximum amount of bonds that may be issued or outstanding is $10 million.
- Total capital expenditures at the project site may not exceed $20 million total
- Total IRBs outstanding at the company in the U.S. may not exceed $40 million total

Large Business Property Tax Exemption: Businesses that invest a minimum of $1 billion in capital improvements will receive a property tax exemption on all property in excess of $400 million in value per year. To qualify:

- The property must be located in a single Idaho county.

- The property must be eligible for the federal investment tax credit, as defined in sections 46 (c) and 48 of the Internal Revenue Code subject to the limitations provided for certain regulated companies in section 46 (f) of the Internal Revenue Code and is not a motor vehicle under eight thousand pounds gross weight.
- The improvements, acquisition or construction must be real or personal property related plant and building facilities.

Large Employer Property Tax Exemption: Businesses that employ at least 1,500 people within a single Idaho county may receive a property tax exemption on property values in excess of $800 million. To qualify the business must make a yearly capital investment of at least $25 million within that county.

Manufacturing Facilities Property Tax Exemption: Businesses that invest in new manufacturing facilities may receive partial or full property tax exemptions on new plants and building facilities and all personal property related thereto from local county commissioners. To qualify:

- Businesses must invest a minimum of $3 million in new manufacturing facilities (Manufacturing defined as producing tangible personal property or intellectual property intended for ultimate sale at retail.)
- 80% of investment must be made at one location.

Note: Land is not included in the tax exemption.

Motor Vehicle Tax Exemption: Motor vehicles are exempt from property tax.

Net Operating Loss: Idaho offers a net operating loss income tax provision for losses up to $100,000 per tax year. Losses may be carried back for two years, or, if not absorbed in those two years, the remainder may be carried forward for up to 20 years.

New Markets Tax Credit Program (NMTC Program): NMTC was established by Congress in 2000 to spur new or increased investments into operating businesses and real estate projects located in distressed and low-income communities. The NMTC Program attracts investment capital to low-income communities by permitting individual and corporate investors to receive a tax credit against their Federal income tax return in exchange for making equity investments in specialized financial institutions called Community Development Entities (CDEs). The credit totals 39% of the original investment amount and is claimed over a period of seven years (5% for each of the first three years, and 6% for each of the remaining four years). The investment in the CDE cannot be redeemed before the end of the seven-year period.

More information at the Community Development Financial Institutions Fund website.

To determine which communities have New Market Tax Credit zones, click this link.

Pollution Control Equipment Sales Tax Exemption: Businesses purchasing required pollution control equipment are exempt from sales tax on those purchases. Required pollution control facilities are exempt from property tax. To qualify:

- Sale, use, or purchase of tangible personal property acquired and primarily used for the purpose of meeting air or water quality standards, rules or regulations of a state or federal agency having authority to regulate and set air or water quality emission standards are exempt from sale tax.

The production exemption allows tax-free purchases of:

- Dry cleaning equipment to protect employees from exposure to (perchloroethylene). Dry cleaning machines meeting these standards are referred to as "dry to dry transfer systems."
- Liner or reagent required to meet water quality standards.
- The sale, use, or purchase of tangible personal property that becomes a component, fixture or improvement to realty acquired and primary used for the purpose of meeting air or water quality emission standards, rules or regulations when purchased by manufacturing, mining or farming businesses that qualify for the exemption provided by section 63-3622D, Idaho Code. Does not apply to property used to treat drinking water or air that is not required for a production process.
- Contractors working for a manufacturing, mining or farming businesses that qualify for the exemption provided by section 63-3622D, Idaho Code.

Production Sales Tax Exemption: The production exemption eliminates sales tax on purchases of materials and supplies used directly in the production process by farmers, manufacturers and other producers. The exemption also applies to purchases of certain kinds of production equipment. The equipment must be "directly" (its function must be a direct part of the production process) and "primarily" (more than 50% of its use must be in the production process) used in the production process. To qualify:

- The business or segment of a business (a division or branch with its own identity and separate accounting records) must spend the majority of its time producing products that will be resold.
- The business or segment of a business must be engaged in one of these activities:
    - Farming
    - Mining
    - Ranching
    - Fabrication
    - Manufacturing
    - Processing
- The business or segment of a business must be "primarily" devoted to producing a product for resale. This means that more than 50% of its activities must involve production.
- The business or segment of a business needs to own the goods being manufactured, processed, etc. The production exemption does not apply to the service-oriented businesses, with the exception of custom farming and contract mining.

The production exemption allows tax-free purchases of:

- Raw materials that become part of a final product
- Chemicals and catalysts that affect a production by causing a physical change and removing impurities.
- Equipment or other tangible personal property which is "primarily" and "directly" used in the production process.
- Safety equipment and supplies that are used directly in the production process and used to meet required standards set by state and federal agencies.

Qualified Investment Exemption: This exemption may be applied in lieu of the investment tax credit. A two-year exemption from property tax on qualified personal property is available only if a loss was incurred in the second preceding tax year in which the property is placed in service. The loss must have been computed without regard to any net operating loss carry over or carry back.

Remediated Land Tax Exemption: Environmental remediation is the removal of pollution or contaminants from water (both ground water and surface water) and soil. Remediation restores brownfield sites either for redevelopment or to return them to their natural state. A partial tax exemption is available for remediated land.

Tax Reimbursement Incentive (TRI): TRI is a new performance-based economic development incentive that provides a tax credit up to 30% for up to 15 years on new corporate income tax, sales tax, and payroll taxes paid as a result of a new qualifying project. To qualify, a new project must meet certain requirements for creating high-paying jobs in Idaho. The credit is refundable and is available to both existing and new companies. The tax credit percentage and project term is determined based upon the quality of jobs created, regional economic impact and return on investment for Idaho. All incentives will be approved by the Idaho Economic Advisory Council and will be governed by detailed agreements between the Department of Commerce and incented companies. TRI Requirements:

- Companies in rural areas must create 20 new jobs and those in urban areas must create 50
- New jobs must be full time and pay equal to or greater than the average county wage
- Requires a meaningful community contribution
- Company must prove its stability and a significant economic impact to the community and Idaho
- Company must prove that the incentive is a critical factor to its decision

Utility and Industrial Fuels Tax Exemption: Businesses are exempt from paying sales tax on utilities and industrial fuels. Examples include power, water, natural gas, and telephone.

Water or Air Pollution Control Tax Exemption: Property that is utilized to control or prevent water or air pollution is tax exempt.

WORKFORCE DEVELOPMENT

Workforce Development Training Fund (WDTF): The WDTF can reimburse employee training costs to eligible companies that are bringing jobs to Idaho, adding jobs through expansion or upgrading skills of current workers who are at risk of being permanently laid off. The fund is financed by employers through an offset to the unemployment insurance tax. Eligibility requirements

- Your company produces a product or service that is mainly sold (more than 50%) outside the region where the business is located OR the company is in the health care industry
- The starting wage is $12 an hour or more for the new positions being created OR positions being retained
- The company provides employer assisted medical benefits
- The company is increasing its current workforce OR is retraining existing staff in order to avoid layoffs

Source: https://businessfacilities.com/state-by-state-incentives-guide/
http://commerce.idaho.gov/incentives-and-financing/

MONTANA

FINANCING

Alternative Energy Revolving Loan Program: The Montana Department of Environmental Quality offers the Alternative Energy Revolving Loan Program. This program provides a financing option to Montana homeowners, small businesses, non-profits, and government entities to install alternative energy systems. The program has traditionally been funded by air quality penalties collected by the Department of Environmental Quality. Energy from these renewable systems is intended for use by the owner—although net-metering is allowed for systems that generate electricity. Energy conservation measures installed in conjunction with an alternative energy project may be funded through the program, limited to 20% of the loan amount.

Big Sky Economic Development Trust Fund Grant Program: Created by the 2005 Montana Legislature, this state funded grant program provides funds to local or tribal governments that can be used to assist businesses creating new jobs. This program provides two types of funding:

1. *Job Creation:* Grant or loan funding assists a business with the purchase of land, buildings or equipment; lease rate reduction for lease of public or privately owned real property for the direct use of the assisted business; relocation costs incurred in connection with moving the assisted business’s physical assets to Montana; or employee training. Businesses may apply for up to $5,000 for each eligible net new job created or up to $7,500 for each eligible net new job created in a high-poverty county. Eligible businesses must meet the definition of a Basic Sector Company, and eligible jobs must meet program requirements for hours worked and pay thresholds.
2. *Planning:* Provides grant funding to assist with the completion of project development activities such as Preliminary Engineering Reports, Preliminary Architectural Reports, feasibility studies, and business plans.

Big Sky Film Grant: The Montana Big Sky Film Grant was created to build partnerships with filmmakers and production companies by providing funding to enable the creation of jobs related to filmmaking production; to enhance the marketing of Montana’s tourism regions, people, history, and overall quality of life; and to support Montana’s filmmaking community. Filmmakers and production companies can apply to the Montana Department of Commerce Film Office.

Board of Research & Commercialization Technology: Created by the 1999 Montana Legislature to provide a predictable and stable source of funding for research and commercialization projects to be conducted at research and commercialization centers in Montana. The purpose of the program is to encourage economic development through investment in research projects that have a clear path to commercialization. The Board takes the following criteria into account when making funding decisions:

- Has potential to diversify or add value to a traditional basic industry of the state's economy
- Shows promise for enhancing technology-based sectors or commercial development of discoveries
- Employs or takes advantage of existing research and commercialization strengths
- Has a realistic and achievable project design
- Employs an innovative technology
- Is located in the state
- Has a qualified research team
- Has scientific merit based on peer review
- Includes research opportunities for students

Certified Regional Development Corporations: Provide revolving loan funds to businesses in their regions. There are 11 Certified Regional Development Corporations in Montana that provide financing, technical assistance, training, application assistance, and other services to the communities in their counties. The Montana Department of Commerce provides financial support to these corporations to facilitate economic development across Montana. Revolving loan funds are designed to assist new and/or expanding businesses create jobs.

Community Development Block Grant – Economic Development Program: Assists local governments in addressing their greatest economic development needs. The program receives an annual allocation of funding from the U.S. Department of Housing and Urban Development. The goal of the program is to provide jobs to qualified low- and moderate-income persons. Communities ineligible to apply for this program are Missoula, Great Falls, and Billings. Eligible communities may apply for up to $400,000 per program year. The program provides grant and loan financing for the following types of activities:

- *Planning Grants:* Local governments may apply for up to $25,000 for a variety of planning and technical assistance activities related to economic or business development, including community needs assessments, downtown revitalization studies, feasibility studies, Preliminary Architectural Reports, and Preliminary Engineering Reports.
- *Customized Employee Training:* Applications may include requests for assistance with workforce training for new and/or existing employees. Requests may be for eligible expenses up to $5,000 per employee, or up to $7,500 for the training of people with disabilities. Minimum compensation thresholds must be met for wages and benefits.
- *Economic Development Projects:* Local governments may apply for up to $25,000 per created or retained job for a business that is either hiring additional employees or is in the position of retaining employees to maintain operations. Depending on whether the business is non-profit or for-profit, it may receive a grant or low interest loan for working capital, equipment purchases, infrastructure improvements, constructions costs, or other eligible business expenses. Businesses must submit financials, business plans, hiring plans, and other required documents and provide a financial match.

Indian Country Economic Development Program: The Indian Country Economic Development Program is a state funded program to provide economic development funding to the eight tribal governments and communities in Montana to address their economic development needs. Funding is available in the following categories:

- *Native American Business Advisors (NABA):* A total of $120,000 is available to fund eight NABA applications ($15,0000 per award) in each of the tribal nation areas. The grant is to support the activities of Native American community-based organizations, tribal colleges, and tribal government organizations that support private sector business development on reservations and in tribal communities. These entities offer business and credit counseling and application support to Native American businesses in Montana.
- *Indian Equity Fund (IEF) Small Business Grant:* Assists start-up or expanding Native American businesses in Montana. The funds can be used for a variety of activities such as the purchase of new equipment or the development of a new product line. A total of $320,000 is available to fund Native American business applications in each of eight

tribal nation areas with a total of $14,000 maximum award per approved application. Enrolled members of Montana's federally recognized tribes in Montana and enrolled members of the Little Shell Tribe residing in Montana are eligible applicants.

- *Tribal Business Planning Grants:* Assist tribal governments in deploying comprehensive business planning strategies and activities. The governing bodies of each of Montana's eight tribal governments are eligible applicants and can apply for up to $28,000 for a total of $224,000 in grant funds. Eligible activities include business plan development, market analysis, feasibility study, physical business infrastructure planning, legal and financial infrastructure development, matching funds for the State Tribal Economic Development (STED) Commission Indian Equity Fund.

Intermediary Relending Program: U.S. Department of Agriculture (USDA) Rural Development offers the Intermediary Relending Program. This program allows intermediaries to borrow up to $2 million under its first financing and up to $1 million at a time thereafter. Total aggregate debt is capped at $15 million. The maximum loan amount in years past was $750,000. Eligible projects include acquisition, construction, purchase or development of land, equipment, working capital, and feasibility studies.

Microbusiness Development Corporations: The Montana Department of Commerce works Microbusiness Development Corporations around the state that can provide loan financing to microbusinesses. Loans can be made for up to $100,000 to qualified Montana microbusinesses. A qualified microbusiness has 10 or fewer employees and gross annual revenue of less than $1 million. Microbusiness Development Corporations can provide capital to businesses in addition to training and technical assistance.

Montana Board of Investments Programs In-State Loan Programs: The objective of the Board's In-State Loan Programs is to diversify, strengthen, and stabilize the Montana economy. The Board has designed a series of loan programs that can be tailored to meet the individual needs of borrowers. The Board is only able to participate in loans to businesses and individuals through commercial financial institutions and is willing to work with businesses to assist in developing a loan package to best meet business needs. In-State Loan Programs include the Business Loan Participation Program, the Link Deposit Business Loan Program, the Value-Added Business Loan Program, the Infrastructure Loan Program, and the Intermediary Relending Loan Program. All are funded from the Permanent Coal Tax Trust.

Montana International Marketing Assistance Program: The Montana International Marketing Assistance Program (MIMAP) grant is a state-federal partnership, funded by a grant from the Small Business Administration, providing financial assistance to qualified Montana small businesses for international marketing efforts in beginning exporting or market expansion. It is designed to help increase the number of small businesses that are exporting and to raise the value of exports for those small businesses that are currently exporting so they can grow and create more jobs.

- International Trade Show Exhibition up to $8,000 reimbursement and up to $1,200 travel stipend
- Language Translation Services & Production Fees – up to $3,000 reimbursement
- Market Research and Other Services from the U.S. Commercial Service up to $1,200 reimbursement and up to $1,200 travel stipend

Montana SBIR/STTR Matching Fund Program: The purpose of Montana SBIR/STTR Matching Funds Program is to foster job creation and economic development in the state by providing matching funds to eligible businesses meeting the criteria set forth in the guidelines. It is designed to grant funds to Montana companies that have been awarded a Small Business Innovation Research Program or Small Business Technology Transfer Program Phase I award and that, if the opportunity to do so is available, intend to apply for a federal SBIR/STTR Phase II award. The Federal SBIR/STTR Program provides for funding competitions in two phases that are relevant to the Montana program:

- Stage I to conduct feasibility research
- Stage II to expand and develop Phase I results and develop commercially viable innovations

Montana Wood Products Revolving Loan Fund: A state and federally funded program with two funding pools available to assist wood and timber related businesses, the EDA Wood Products Revolving Loan Fund, and the State Wood Products Revolving Loan Fund. Eligible businesses may apply for up to $20,000 per job created or retained. Businesses are required to make a matching financial contribution to their proposals. Funds are available depending on the amount of loan repayments received each year.

The Native American Collateral Support (NACS) Program: NACS addresses the lack of access to capital for Native American-owned businesses by providing collateral support security for lenders making loans with Native American-owned businesses that only lack in sufficient collateral/equity for a business loan according to their loan risk profiles. (All other aspects of the credit analysis are satisfactory: cash flow, climate, character, and credit-worthiness). A total loan pool of $500,000 is available for lenders to access for their borrowers.

Small Business Innovation Research Program: The Montana Department of Commerce houses the Small Business Innovation Research Program. This program helps Montana companies compete for more than $2.5 billion dollars in federal grants that have been earmarked to fund research and development. The program offers free counseling assistance to any individual or small business that wants to explore SBIR grant opportunities. To win a SBIR grant, a business owner must be an organized for-profit located in the U.S., have at least 51% owned and controlled by citizens of the U.S., at least 51% owned and controlled by another for-profit that is at least 51% owned and controlled by citizens of the U.S., and has 500 or fewer employees.

Tourism Grant Program: The Montana Office of Tourism and Business Development's Tourism Grant Program awards funds to projects that strengthen Montana's economy through the development and enhancement of the state's tourism industry. The Tourism Grant Program offers funding in four categories:

1. Tourism Digital Development – Eligible projects include, but are not limited to:
    - Website development or enhancement
    - Responsive website design
    - Mobile app development
    - Strategic collaborative marketing initiatives that build off the Montana Brand
2. Tourism Infrastructure – Eligible projects include, but are not limited to:
    - Project "brick & mortar" costs associated with remodeling old or preserving existing tourism and recreation attractions, historical sites and artifacts
    - Visitor way-finding signage production or installation
3. Tourism Event Paid Media Advertising – Eligible projects include, but are not limited to:
    - National magazine advertising
    - National television advertising
    - National radio advertising
    - National digital advertising

4. Tourism Trade Show Assistance Eligibility includes:
    - Montana membership-based organization or association
    - Applicant must be representing the membership-based organization or association, not an individual private business
    - Applicants must be exhibiting at a tourism and travel related trade show outside the state of Montana

Trade Show Assistance Program: The Montana Department of Commerce Trade Show Assistance Program assists companies in exploring new domestic and international wholesale markets. Funds are available to Montana businesses attending any out-of-state wholesale trade show for the first time. Eligible applicants will be reimbursed for 50% of qualifying expenses that include:

- Booth/space rental or U.S. Commercial Services Gold Key fee
- Booth equipment, furniture, and carpeting rental
- Booth utility costs
- Promotional materials (product flyer specific to show, booth signage, etc.)
- Shipping, storage, drayage (cost of moving freight at exhibition site), and show labor

TAX INCENTIVES

Local development organizations and local governments may assist with tax credits, abatements and exemptions. These incentives include the following types:

Alternative Energy Investment Tax Credit: Commercial and net metering alternative energy investments of $5,000 or more are eligible for up to 35% tax credit against individual or corporate tax on income generated by the investment. The credit may only be taken against net income produced by the eligible equipment or by certain associated business activities. Associated facilities, manufacturing plants producing alternative energy equipment, and new or expanded businesses using the energy generated by the alternative energy investment may use the tax credit. The credit must be taken the year the equipment is placed in service; however, any portion of the tax credit that exceeds the amount of tax to be paid may be carried over and applied against state tax liability for the following seven years. A project of 5 MWs or larger on a reservation may carry the credit over for 15 years if it has an employment agreement with the tribal government.

Alternative Fuels Property Tax Exemption: Provides an exemption from property assessment for qualifying non-fossil fuel energy generating systems installed. The maximum exemption amount per year is $100,000 for a commercial property. The value of the qualifying non-fossil fuel energy generating system must be included in the assessed value of the property prior to its exemption. The exemption lasts for a period not to exceed 10 years from the year of installation.

New Market Tax Credits: Can help communities attract capital to good projects on favorable terms. The program provides an incentive to debt and equity investors in the form of a 39% federal income tax credit for investing capital into qualified projects in eligible low-income areas. Eligible investment types include most real estate projects and operating businesses (with some exceptions). Total project size of at least $3 million, project in a designated low-income census tract with either a poverty rate of 20% or greater or Gross Median Income of 80% of less of the state average, strong economic development and/or community impact, such as helping to create or retain jobs; acting as the catalyst for larger development, infusing sources of new investment capital into an under-served, low-income area; and creating new access to community services such as education, healthcare, child & elder care and retail services.

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

Property Tax Abatements: Property tax abatement is available to certain new or expanding businesses. The governing body of the affected county or the incorporated city or town must approve by resolution the abatement. The tax benefit received is a percentage multiplier applied to the increase in taxable value of the qualifying improvements or modernized processes. The tax benefit applies to the number of mills levied and assessed for high school district and elementary school district purposes and to the number of mills levied and assessed by the local governing body approving the benefit. New/expanding industries will be taxed at 50% of taxable value for the first five years after a construction permit is issued. The tax rate is raised incrementally over the next five years to 100%.

WORKFORCE DEVELOPMENT

Incumbent Workforce Training Grant Program: The Montana Department of Labor and Industry's Incumbent Workforce Training Grant Program is available to businesses with no more than 50 employees in the state and no more than 20 at any one location. Training is available to employees who have passed the company's probationary period, with up to $2,000 available for full-time employees and $1,000 for part-time employees. Businesses must be able to contribute matching funds. Training grant dollars may be used for approved training, travel, or instructional materials.

Primary Sector Workforce Training Program: The Montana Department of Commerce manages a state funded workforce training program. Eligible businesses must meet the definition of a Primary Sector Business. The financial match for the business is one dollar of private funds for every three dollars of Primary Sector Workforce Training Program funds applied for. Businesses may apply for up to $5,000 per net new job created for documented training expenses. Businesses must meet minimums for number of hours worked and thresholds for employee compensation. Businesses can apply directly to the Montana Department of Commerce for this program. The application needs to include financial information, business plan, and a detailed hiring and training plan.

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

https://business.mt.gov/ChooseMontana/KeyIndustries/BusinessIncentives

NEVADA

FINANCING

Brownfields Cleanup Revolving Loan Fund: The State of Nevada has developed a program to provide loans to property owners or developers who plan to clean up hazardous materials on sites in the state.

Catalyst Fund: Nevada recently authorized the use of $13 million in general fund money to spur economic development through corporate expansions and relocations in Nevada. Companies can apply to the state with an eligible economic development project for an allocation of Transferable Tax Credits from the fund.

Industrial Development Bonds (IDBs): IDRB's are a special tax-exempt form of financing made available by the State of Nevada to finance qualified projects at interest rates substantially below comparable commercial rates. Bonds offer flexible terms at variable and fixed interest rates.

Nevada Microenterprise Initiative: The Nevada Microenterprise Initiative (NMI) provides business development training and financial investments to small business entrepreneurs.

State Small Business Credit Initiative: The Nevada Microenterprise Initiative (NMI) provides business development training and financial investments to small business entrepreneurs.

Silver State Opportunities Fund: The Nevada Silver State Opportunities Fund (SSOF) manages $50 million of capital dedicated to investing in compelling businesses located in Nevada, looking to expand in Nevada, or seeking to relocate to Nevada.

TAX INCENTIVES

Aviation Tax Abatement: Partial abatements from Personal Property and Sales & Use Taxes are available to companies that locate or expand their business in Nevada. The personal property tax abatement can be up to 50% for 20 years on the taxes due on tangible personal property, and the sales & use tax abatement reduces the applicable tax rate to 2% for a similar 20 year period, a near 75% reduction in most jurisdictions. The applying company must hit statutory requirements.

Data Center Abatement: A partial abatement from personal property tax and sales and use tax are available to data center companies that locate or expand their business in Nevada. The personal property tax abatement can be up to 75% of the taxes due for 10 or 20 year abatement periods.

Abatements for sales and use tax are for taxes imposed on the purchase of eligible machinery or equipment. The abatement reduces the applicable tax rate to 2% for a period of 10 or 20 years, a near 75% reduction in most jurisdictions. Abatements apply to collocated businesses of the data center. The data center must hit statutory requirements.

Modified Business (Payroll) Tax Abatements: An abatement of 50% from the 1.475% modified business tax on quarterly wages in excess of $50,000 per quarter may be obtained by new and expanding businesses. Statutory requirements include employee-provided health plans, a minimum number of jobs created, capital investment, and average wage. Abatement may be received for up to four years.

Nevada Green Building Partial Property Tax Abatement: The Nevada State Office of Energy offers a 25% to 35% abatement on property taxes from five to 10 years for buildings which meet certain minimum LEED ratings requirements.

Personal Property Tax Abatements: An abatement of 50% on personal property tax is available to new and expanding businesses. Statutory requirements include employee-provided health plans, a minimum number of jobs created, capital investment, and average wage. Abatement may be received for up to 10 years.

Property Tax Abatement for Recycling: Real property tax abatement up to 50% is available to qualified recycling businesses. The business must be in the primary trade of recycling at least 50% of the material or product onsite, or converting the energy derived from recycled material into electricity. Statutory requirements include employee-provided health plans, a minimum number of jobs created, capital investment, and average wage. Abatement may be received for up to 10 years.

Renewable Energy Tax Abatements: The Renewable Energy Tax Abatement program came under the Energy Office[1]s jurisdiction in July 2009. The program awards partial sales and use tax and partial property-tax abatements to eligible renewable energy facilities. The Energy Office staff reviews the abatement applications, conducts public hearings to determine eligibility, and reviews annual compliance audits after abatements have been granted.

Sales and Use Tax Abatement on Machinery & Equipment: An abatement of sales & use tax to 2% (can equal a reduction of up to 6.1%) on eligible capital machinery and equipment is available to new and expanding businesses with operations consistent to Nevada’s state plan for economic diversification and development. Qualifying criteria include a commitment to doing business in

Nevada, employee-provided health plans, minimum job creation, capital investment and wage requirements.

WORKFORCE DEVELOPMENT

Silver State Works Program: An initiative introduced in July 2011 to encourage employers to train or hire now-unemployed job seekers in the community. The program uses the Nevada Job Connect network to search for available talent, connect businesses with employees, get qualified workers back into the work force and offer financial incentives to employers to hire. Employers have three options for receiving the incentive and the only requirements to participate are a valid business license and a verified paid-to-date unemployment insurance account. The employer can offer training or employment depending on the program that works best for the business.

1. **Employer-based training.** In this option, businesses train workers who qualify for unemployment insurance benefits for 24 hours per week up to six weeks at no cost to the employer while the workers continue job hunting. The trainee will continue to receive unemployment benefits and a training allowance of $200 every two weeks, which can include assistance with transportation while they learn new skills or freshen current skills. After the training period, the trainee will receive a certificate of training that would be valuable to their job search or the business may hire them.
2. **Employer incentive job program.** In this scenario, employers enter a contract that establishes a wage, a number of hours to master tasks, and a maximum amount of reimbursement based on the wage paid. Employers will be reimbursed up to 50% of the participant's initial agreed-upon gross wage for up to 40 hours per week. For this program, you will hire and train the new employees and add them to your payroll. Silver State Works will reimburse you with an incentive check at the end of the training.
3. **Incentive-based employment.** This supports employers who hire and retain eligible individuals in full-time employment (30 hours or more per week) by providing a hiring and retention incentive based on the time the qualified individual remains employed. Upon completion and satisfying certain requirements, the employer may receive a wage retention supplement for retaining the employee on average up to $2,000.

Train Employees Now (TEN): Nevada offers a customized job training program to qualified businesses that meet established criteria. This program may be used prior to a plant opening and up to 90 days following.

Source: https://businessfacilities.com/state-by-state-incentives-guide/
http://www.diversifynevada.com/programs-resources/incentives

NEW MEXICO

FINANCING

Local Economic Development Act (LEDA) Capital Outlay Funds: The New Mexico Economic Development Department (EDD) is granted authority to administer Local Economic Development Act capital outlay (LEDA CO) funds to local governments (county, municipality, or tribal entity) to help stimulate economic development efforts pursuant to the State Wide Economic Development Finance Act. Funding of grants is strictly based on the receipt of capital outlay funds appropriated by the New Mexico Legislature. LEDA funds are provided on a reimbursable basis only.

For FY16 (July 1, 2015 through June 30, 2016) EDD has received an appropriation of $50 million in LEDA CO. The department hosted Town Hall events throughout the state during the first week of June to gather public input toward development of guidelines and policies for FY16.

TAX INCENTIVES

Advanced Energy Deduction & Advance Energy Tax Credit: Receipts from selling or leasing tangible personal property or services that are eligible generation plant costs to a person that holds an interest in a qualified generating facility are deductible from gross receipts and compensating tax. In addition, a taxpayer who holds an interest in a qualified generating facility in New Mexico that files a corporate income tax return may claim a credit for 6% of the eligible generation plant costs of a qualified facility.

Agricultural Business Tax Deductions and Exemptions:

- Feed for livestock, including the baling wire or twine used to contain the feed, fish raised for human consumption, poultry or animals raised for hides or pelts and seeds, roots, bulbs, plants, soil conditioners, fertilizers, insecticides, germicides, insects, fungicides, weedicides and water for irrigation
- Warehousing, threshing, cleaning, harvesting, growing, cultivating or processing agricultural products including ginning cotton and testing and transporting milk
- Feeding, pasturing, penning, handling or training livestock and, for agribusinesses, selling livestock, live poultry and unprocessed agricultural products, hides and pelts
- 50% of receipts from selling agricultural implements, farm tractors or vehicles

- Receipts from sales of veterinary medical services, medicine or medical supplies used in the medical treatment of cattle if the sale is made to one of the following:
    - A person engaged in the business of ranching or farming, including dairy farmers
    - A veterinarian who is providing veterinary medical services, medicine or medical supplies in the treatment of cattle owned by a person engaged in the ranching or farming business

Aircraft Deductions:

- Receipts from selling aircraft parts or maintenance services for aircraft or aircraft parts
- Receipts of an aircraft manufacturer from selling aircraft flight support, pilot training, or maintenance training services
- Receipts from the sale of or from maintaining, refurbishing, remodeling, or otherwise modifying a commercial or military carrier over 10,000 pounds gross landing weight
- 50% of gross receipts from selling other aircraft
- 55% of the receipts from selling jet fuel for use in turboprop or jet engines until June 30, 2017; 40% after June 30, 2017

Alternative Energy Product Manufacturer's Tax Credit: Manufacturers of certain alternative energy products may receive a tax credit not to exceed 5% of qualified expenditures for purchase of manufacturing equipment used in the manufacturing operation. This credit is designed to stimulate the development of new alternative energy manufacturing facilities.

Angel Investment Credit: A taxpayer who files a New Mexico income tax return and who is a "qualified investor" may take a tax credit of up to $62,500 (25% of a qualified investment) for an investment made in each of up to five New Mexico companies that are engaging in qualified research, as defined by the Internal Revenue Code, or manufacturing. The taxpayer may claim the angel investment credit for one qualified investment per investment round. Any portion of the tax credit remaining unused at the end of the taxpayer's taxable year may be carried forward for five consecutive years.

Beer & Wine Producers' Preferential Tax Rate: Microbreweries producing less than 5,000 barrels of beer annually and small wineries producing less than 560,000 liters of wine per year qualify for a preferential tax rate. The Liquor Excise Tax Act imposes taxes on beer, wine, and spirituous liquors.

The basic tax rate for wine is 45 cents per liter. Wine produced by a small vintner carries a tax of 10 cents per liter on the first 80,000 liters and 20 cents on production over that level up to 560,000 liters. The basic tax rate for beer produced by a brewery is 41 cents; beer produced by a microbrewery (producing less than 5,000 barrels annually) is taxed at 8 cents per gallon.

Biodiesel Blending Facility Tax Credit: An operator of a refinery in New Mexico, any person who blends special fuel in New Mexico, or the owner of special fuel stored at a pipeline terminal in New Mexico, who installs biodiesel blending equipment for the purpose of establishing or expanding in a facility to produce blended biodiesel fuel is eligible to claim a credit against gross receipts tax or compensating tax. A certificate of eligibility must be obtained from the Energy, Minerals, and Natural Resources Department to apply for this credit. The credit is equal to 30% of the purchase cost of the equipment plus 30% of the cost of installing that equipment. The credit cannot exceed $50,000 with respect to equipment installed at any one facility. The credit may be applied against the taxpayer's gross receipts tax liability or compensating tax liability. The credit may be carried forward for four years from the date of the certificate of eligibility.

Biomass-Related Equipment & Materials Deduction: The value of equipment such as a boiler, turbine-generator, storage facility, feedstock processor, interconnection transformer, or biomass material used for bio-power, bio-fuels, or bio-based products may be deducted in computing the compensating tax due.

Child Care Corporate Income Tax Credit: Corporations providing or paying for licensed child care services for employees' children under 12 years of age may deduct 30% of eligible expenses from their corporate income tax liability for the taxable year in which the expenses occur. For a company operating a value-added day care center for its employees, this credit reduces the cost to provide this benefit to employees. The corporate income tax credit is 30% of eligible costs up to $30,000 in any taxable year. Unused credit amounts may be carried forward for three years.

Directed Energy & Satellite Tax Deduction: This new gross receipts tax deduction is provided for a qualified contractor's sale of qualified R&D services and qualified directed energy and satellite-related inputs when sold under a contract with the U.S. Department of Defense.

Financial Management Tax Credit: Receipts from fees received for performing management or investment advisory services for a related mutual fund, hedge fund, or real estate investment trust may be deducted from gross receipts.

High Wage Jobs Tax Credit: A taxpayer who is an eligible employer may apply for and receive a tax credit for each new high-wage economic-base job. The credit amount equals 10% of the wages and benefits paid for each new economic-base job created.

Qualified jobs:

- Pays at least $40,000/year in a community with a population of less than 40,000 for jobs created after July 1, 2015
- Pays at least $60,000/year in a community with a population of 40,000 or more for jobs created on or after July 1, 2015
- Occupied for at least 48 weeks by the employee

Qualified employers:

- Are growing with employment greater than the previous year; and
- Made more than 50% of its sales to persons outside New Mexico during the most recent 12 months of the employer's modified combined tax liability reporting periods ending prior to claiming this credit; or
- Are eligible for the Job Training Incentive Program

Qualified employers can take the credit for 4 years. The credit may only be claimed for up to one year after the end of the four qualifying periods. The credit can be applied to the state portion of the gross receipts tax, compensating tax, and withholding tax. Any excess credit will be refunded to the taxpayer. The credit shall not exceed $12,000 per year, per job.

Qualified employees:

- Must be a resident of New Mexico
- Cannot be a relative of the employer or own more than 50% of the company

Investment Tax Credit for Manufacturers: Manufacturers may take a credit against gross receipts, compensating or withholding taxes equal to 5.125% of the value of qualified equipment when the following employment conditions are met:

- For every $500,000 of equipment, 1 employee must be added up to $30 million; and
- For amounts exceeding $30 million, 1 employee must be added for each $1 million of equipment

The credit may (also) be claimed for equipment acquired under an IRB. This is a double benefit because no gross receipts or compensating tax was paid on the purchase or importation of the equipment.

The manufacturer simply reduces its tax payment to the state (by as much as 85% per reporting period) until the amount of investment credit is exhausted. There also are provisions for issuing a refund when the credit balance falls under $500,000. The credit does not apply against local gross receipts taxes.

Locomotive Fuel Gross Receipts & Compensating Tax Exemption: Receipts from the sale of fuel to a common carrier to be loaded or used in a locomotive engine may be deducted from the gross receipts, and the value of fuel sold to a common carrier to be loaded or used in a locomotive engine may be deducted in computing the compensating tax.

“Locomotive engine” is defined as a wheeled vehicle consisting of a self-propelled engine that is used to draw trains along railway tracks. To be eligible, the fuel sold must be used or loaded by a common carrier that:

1. After July 1, 2011, made a capital investment of $100 million or more in new construction or renovations at the railroad locomotive refueling facility in which the fuel is loaded or used; or
2. On or after July 1, 2012, made a capital investment of $50 million or more in new railroad infrastructure improvements, including railroad facilities, track, signals, and supporting railroad network, located in New Mexico; provided that the new railroad infrastructure improvements are not required by a regulatory agency to correct problems, such as regular or preventive maintenance, specifically identified by that agency as requiring necessary corrective action.

Military Acquisition Program Tax Deduction: Receipts from transformational acquisition programs performing research and development, testing, and evaluation at New Mexico major range and test facility bases pursuant to contracts entered into with the U. S. Department of Defense may be deducted from gross receipts.

Renewable Energy Production Tax Credit: A corporate or personal taxpayer who owns a qualified energy generator is eligible for a tax credit in an amount equal to 1 cent per kilowatt hour of electricity produced by the qualified energy generator using a qualified energy resource in the tax year. A variable rate of credit is added for electricity produced using solar energy. The rate starts at 1.5 cents in the 1st year of operation and increases in increments of .5 cent each of the next five years, to a maximum of 4 cents, and then will decline by .5 cent per year in the next four years to 2 cents in the 10th year of operation. The 1 cent per kilowatt hour rate applies for all other qualified energy generation facilities. The facility must generate a minimum of 1 megawatt. The total amount of electricity that can qualify for the corporate and individual income tax credits is 2 million megawatts for wind and biomass with an additional 500,000 megawatt hours allowed for solar-generated power.

R&D Small Business Tax Credit: A qualified R&D small business is eligible for a credit equal to the sum of all gross receipts taxes or up to 50% of withholding taxes due. Qualified research is defined as that undertaken for the purpose of discovering information that is technological in nature and the application of which is intended to be useful in the development of a new or improved business component and in which substantially all activities constitute elements of a process of experimentation related to new or improved function, performance, reliability or quality, but not related to style, taste, cosmetic or seasonal design factors. Qualified R&D small business means a business that:

- Employs no more than 25 employees in any prior calendar month
- Had total revenue of no more than $5 million dollars in any prior fiscal year.
- Did not in any prior calendar month have more than 50% of its voting securities or other equity interest with the right to designate or elect the board of directors or other governing body of the qualified business owned directly or indirectly by another business
- Has made qualified research expenditures for the period of 12 calendar months ending with the month for which the credit is sought of at least 20% of its total expenditures for those 12 months.

R&D Tax Deduction: Aerospace services are the research and development services sold or for resale to an organization for resale by the organization to the U.S. Air Force. When R&D services are sold to Phillips Laboratory for resale to the Air Force, the seller’s receipts are deductible. If the R&D services are sold to an intermediary for resale to Phillips Laboratory for resale to the Air Force, those receipts are also deductible.

Rural Jobs Tax Credit: This credit can be applied to taxes due on (state) gross receipts, corporate income, or personal income tax. Rural New Mexico is defined as any part of the state other than Los Alamos County; certain municipalities: Albuquerque, Rio Rancho, Farmington, Las Cruces, Roswell, and Santa Fe; and a 10-mile zone around those select municipalities.

Company eligibility:

- Companies that manufacture or produce a product in New Mexico
- Non-retail service companies that export a substantial percentage of services out of state (50% or more revenues and/or customer base)
- Certain green industries

The rural area is divided into 2 tiers:

- Tier 2 = Non-metro area municipalities that exceed 15,000 in population: Alamogordo, Carlsbad, Clovis, Gallup, and Hobbs
- Tier 1 = Everywhere else in a rural area

The maximum tax credit amount with respect to each qualifying job is equal to:

- Tier 1: 25% of the first $16,000 in wages paid for the qualifying job (may be taken at $1,000 per year for four years)
- Tier 2: 12.5% of the first $16,000 in wages paid for the qualifying job (may be taken at $1,000 per year for two years)

A qualifying job is a job filled by an eligible employee for 48 weeks in a 12-month qualifying period. The credit may be carried forward for up to three years.

Rural Software Development & Gross Receipts Tax Deduction: Receipts from the sale of software development services may be deducted from gross receipts tax when the service is performed in a rural area. Software development services include custom software design and development and web site design and development, but does not include software implementation or support services. A rural area is defined as any not within the municipal boundaries of the cities of Albuquerque, Las Cruces, Rio Rancho and Santa Fe are not eligible for this deduction.

Single Sales Factor: Beginning January 1, 2014, New Mexico will begin phasing in a single sales factor apportionment methodology for corporations whose principal business activity is manufacturing. For the purposes of apportioning income, “manufacturing” excludes construction, farming, power generation, and processing natural resources including hydrocarbons. In addition, in taxable years that begin on or after January 1, 2015, corporate headquarters operations may elect to have business income apportioned to New Mexico subject to a single sales factor apportionment methodology.

Five-Year Policy Changes:

Year	**Appointment**
2014	Double-Weighted Sales
2015	Triple-Weighted Sales
2016	70% Sales
2017	80% Sales
2018	Single Sales Factor

Space Gross Receipts Tax Deductions: There are four separate deductions connected with the operation of a spaceport in New Mexico. The four deductions are:

- Receipts from launching, operating or recovering space vehicles or payloads
- Receipts from preparing a payload in New Mexico
- Receipts from operating a spaceport in New Mexico
- Receipts from the provision of research, development, testing and evaluation services for the United States Air Force Operationally Responsive Space Program

“Space” is defined as any location beyond altitudes of 60,000 feet above mean sea level. “Payload” means a system, subsystem or other mechanical structure designed and constructed to perform a function in space. “Space operations” is defined as the process of commanding and controlling payloads in space. “Spaceport” is defined as the installation and related facilities used for the launching, landing, operating, recovering, servicing and monitoring of vehicles capable of entering or returning from space.

Technology Jobs and R&D Tax Credit: A taxpayer that employs no more than 50 employees, has qualified expenditures of no more than $5 million, and who conducts qualified research and development at a facility in New Mexico is allowed a basic tax credit equal to 5% of qualified expenditures, and an additional 5% credit toward income tax liability by raising its in-state payroll $75,000 for every $1 million in qualified expenditures claimed. The tax credit doubles for expenditures in facilities located in rural New Mexico (as defined for this tax credit as anywhere outside a three-mile radius of an incorporated municipality with a population of 30,000 or more.

The taxpayer claims the credit within 1 year following the end of the year in which the expenditure was made. The credit amount is applied against the taxpayer's state gross receipts, compensating, and withholding liabilities until the credit is exhausted.

Eligible Uses

1. Expenditures: Includes a wide range of non-reimbursed expenses such as payroll, consultants, and contractors performing work in New Mexico, software, equipment, technical manuals, rent, and operating expenses of facilities.
2. Research: Must be technological in nature and constitute elements of a process of experimentation leading to new or improved function, performance, or reliability (not cosmetic, style).
3. Facility: A building or group, with land and machinery, equipment and other real or personal property used in connection with the operation of the facility; excludes national labs.

Texas/Mexico Border Residents' Tax Exemption: Non-resident employees may allocate their compensation to their home state. Since Texas does not have a personal income tax, Texas residents working at the New Mexico enterprise will not have to pay any state income tax on their compensation from the enterprise. The enterprise must be in the manufacturing business, physically located within 20 miles of the Mexican border, have at least 5 employees who are New Mexico residents and not be receiving *Job Training Incentive Program* funds.

Web Hosting Gross Receipts Tax Deduction: Receipts from hosting World Wide Web sites may be deducted from gross receipts. Hosting means storing information on computers attached to the Internet.

WORKFORCE DEVELOPMENT

Job Training Incentive Program (JTIP): Funds classroom and on-the-job training for newly created jobs in expanding or relocating businesses for up to six months. It reimburses 50% to 75% of employee wages. Custom training at a NM public educational institution may also be covered. Companies that manufacture or produce a product in New Mexico, non-retail service companies that export a substantial percentage of services out of state (50%+ of revenues and/or customer base) and certain green industries are eligible. The company must be financially sound and creating new jobs as a result of expansion or relocation to NM. Businesses in certain industries are not eligible (e.g. agriculture, construction, gambling, health care and retail). Jobs eligible for funding must be full time (min. 32 hours per week), year-round and directly related to the creation of the product or service. Trainees must be guaranteed full-time employment upon successful completion of the training program. To be eligible for funding, trainees must be new hires to the company, have been residents of the state for at least one year at any time prior to employment in an eligible position and not have left high school in the three months prior to employment, unless they have graduated or completed a GED.

Source: https://businessfacilities.com/state-by-state-incentives-guide/
https://gonm.biz/why-new-mexico/competitive-business-climate/incentives/

UTAH

FINANCING & GRANTS

Industrial Assistance Fund (IAF): A post-performance tax credit rebate for up to 30 percent of new state tax revenues over the life of the project, which is typically five to ten years. Requirements include;

- Create at least 50 new jobs
- Pay above average wages
- Demonstrate company stability and profitability
- Secure commitment from local community to provide a local incentive
- Demonstrate competition with other locations
- Enter into an incentive agreement with GOED that specifies performance milestones

Private Activity Bond: Utah's tax-exempt bonding authority creating a lower cost, long-term source of capital. Of the 21 eligible Private Activity Bond categories, Utah allocates volume cap to the following six categories: Affordable Single Family Housing, Manufacturing, Affordable Multi-Family Housing, Qualified Redevelopment Projects, Student Loans and Exempt Facilities, e.g., pollution, waste control, etc.

Rural Fast Track: The Rural Fast Track (RFT) Program is a post-performance grant available to small companies in rural Utah. The program provides an efficient way for existing, small companies to receive incentives for creating high paying jobs in the rural areas of the state and to further promote business and economic development.

Applicant must work with and obtain a letter of support from local city or county economic development representative. The letter must confirm that the local economic developer has reviewed and is in support of the project, the project meets the criteria and explain how the project will promote business and economic development in the local community.

Requirements include:

- Be located in a county of the third*, fourth, fifth, or sixth class as described in Utah Code Section 17-50-501
- Have been in business for at least two years.
- Have at least two full-time employees
- Enter into an incentive agreement with the Governor's Office of Economic Development which specifies performance milestones.

- Demonstrate how the business development project will promote business and economic development in a rural county.

Business Development Incentive: Businesses can get up to $50,000 for a qualifying business development project

Job Creation Incentive: Create and retain for at least 12 months new high-paying jobs in a rural county.

- $1,000 for each new full-time job paying 110% of the county's average annual wage
- $1,250 for each new full-time job paying 115% of the county's average annual wage
- $1,500 for each new full-time job paying 125% of the county's average annual wage

Companies located in a county of the third class may not be located within a city that has a population of more than 20,000 or a median household income of more than $70,000.

Technology Commercialization & Innovation Program (TCIP): State-funded grant program developed to accelerate the commercialization of promising technologies that have strategic value for Utah.

Eligibility Requirements:

- A technology developed by a university team or be a licensee of a university technology

OR

- Be a small business (per the SBA definition)

AND

- Generated no more than $500,000 in revenue from the proposed new or derivative technology
- Raised no more than $3,000,000 in total prior funding (including both equity and debt based financing)

Criteria to Determine Grant Awardees

- Potential economic development in the state of Utah (number of jobs, average salary, etc.)
- Quality of management and leadership, including experience in startups or commercialization
- Strength of the company's technology and potential for commercialization
- Size and growth of the market for the proposed technology
- Ability to sell and market the technology and credibility of their "go-to-market" strategy
- Strength of the company's overall value proposition and competitive advantage

Grant Size and Resources:

- Teams may apply for grants up to $100,000
- Teams may only apply for funding in up to three funding rounds
- Technologies can only be awarded up to $200,000 in TCIP grants over the life of the technology
- All grant awardees will have the opportunity to receive free consulting from GOED approved business team consultants

TAX INCENTIVES

Economic Development Tax Increment Financing (EDTIF) Tax Credit: The EDTIF tax credit is a post-performance, refundable tax credit rebates for up to 30% of new state revenues (sales, corporate and withholding taxes paid to the state) over the life of the project (typically 5-10 years). It is available to companies seeking relocation and expansion of operations to the State of Utah.

Policy:

- Maximum credit of up to 30% over the life of the project
- No more than 50% credit in any one year
- The life of the incentive is typically 5 – 10 years
- New jobs created must pay at least 110% of the county average wages within both rural and urban communities and be within a specific target industry
- No retail business operations
- New project must be in competition with other locations
- GOED does not review projects in business less than 3 years and that cannot show consistent profitability.

Requirements include:

- Obtain commitment from local government to provide local incentives and establish an Economic Development Zone
- Enter into an incentive agreement with the Governor's Office of Economic Development which specifies performance milestones.
- Create new high-paying jobs in the state
- At least 50 jobs in urban counties
- At least 110% of urban county average wage or 110% of rural county wage

- Generate new tax revenues.
- Significant capital investment
- Significant purchases from Utah vendors or suppliers

Motion Picture Incentive Program (MPIP): A post performance incentive of up to 25% of total dollars spent in the state on film productions in the form of a cash grant or refundable tax credit.

Life Science and Technology Tax Credits: During the 2016 general session, the Utah State Legislature made changes to Technology and Life Science Economic Development Act giving the Governor's Office of Economic Development (GOED) authority to issue tax credits to qualifying life science and technology investors. Eligible investors may submit applications to GOED for tax credits drawn from $300,000 of funds expressly set aside by the Legislature:

Investment:

- Post-performance nonrefundable tax credit for up to 35% of the investment over three years
- Up to 10% of the purchase price of the qualifying ownership interest in the year the qualifying ownership interest is purchased
- Up to 10% of the purchase price in the second year after the qualifying ownership interest is purchased
- Up to 15% in the third year after the qualifying ownership interest is purchased
- Tax credits for Utah life science entities capitalized under $2,500,000
- To qualify, an investor must invest at least $25,000 and not have more than a 30% ownership interest in the business entity at the time of investment
- To qualify, the investment may not be finalized prior to application and formal approval of the tax credit
- No credit may exceed $350,000 in any year
- Not permitted to carry forward or carry back

Recycling Market Development Zones: In 1996, the Utah Legislature created the Utah Recycling Market Development Zone Program which focuses on recycling as an economic development tool. As more products are recycled and used to manufacture new products the economy will be stimulated through new company expansion or formation and the creation of additional jobs. The zone legislation was established to incent businesses to use recycled materials in their manufacturing processes and create new products for sale. It also benefits business or individuals that collect, process, distribute recycled materials. Composting is considered to be eligible recycling operation.

Eligible recycling businesses that are located in designated Recycling Market Development Zones qualify for:

- 5% Utah state income tax credit on the cost of machinery and equipment
- 20% Utah state income tax credit (up to $2,000) on eligible operating expenses
- Technical assistance from state recycling economic development professionals
- Various local incentives

Enterprise Zones: Under the program, certain types of businesses locating to, or expanding in a designated zone may claim state income tax credits provided in the law (Utah Code 63N-2-201 through 215). Any city or county in the state of Utah may be eligible for Enterprise Zone designation. Application for the Enterprise Zone designation must be made by a city with 20,000 or less population located in a county with 70,000 or less population, or an Indian Tribe for tribal lands. There are two types of Enterprise Zone tax credits; 1) the Employee (Job Creation) Tax Credit, and 2) the Capital Investment Tax Credit.

An Enterprise Zone is:

- an area identified by local elected and economic development officials and designated by the state
- based on economic development need, its quality and a variety of economic distress factors
- a city under 20,000 in population in counties under 70,000 population
- designated tribal lands for Indian Tribes

Criteria for an Enterprise Zone

Is there:

- Pervasive poverty, unemployment and general distress?
- Abandonment, deterioration, value reduction in commercial, industrial, residential structures?
- Potential for new investment?

Will it:

- Provide employment to unemployed or economically disadvantaged?
- Demonstrate innovative solutions and local initiatives by the county/city?

The following tax credits may be claimed by eligible businesses locating or expanding in enterprise zones on Utah state income tax forms:

Job Creation Tax Credits (maximum 30 full time positions per tax year):

- A $750 tax credit for each new full time position filled for at least six months during the tax year.
- An additional $500 tax credit if the new position pays at least 125% of the county average monthly wage for the respective industry (determined by the Utah Dept. of Employment Security). In the event this information is not available for the respective industry, the position must pay at least 125% of the total average monthly wage in the county.
- An additional $750 tax credit if the new position is in a business which adds value to agricultural commodities through manufacturing or processing.
- An additional $200 tax credit, for two consecutive years, for each new position insured under an employer sponsored health insurance program if the employer pays at least 50% of the premium.

Other Tax Credits:

- A tax credit (not to exceed $100,000) of 50% of the value of a cash contribution to a 501(c)(3) private nonprofit corporation engaged primarily in community and economic development, and is accredited by the Utah Rural Development Council.
- A tax credit of 25% of the first $200,000 spent on rehabilitating a building which has been vacant for at least two years, and which is located within an enterprise zone.
- An annual investment tax credit of 10% of the first $250,000 in investment, and 5% of the next $1,000,000 qualifying investment in plant, equipment, or other depreciable property.

Non-refundable tax credits are available to eligible businesses in designated enterprise zones from the start of the tax year in which the designation is made. Unused credits may be carried over for three years. Businesses closing operations in one rural area to locate in another rural area may not claim tax credits under this program. Construction jobs are not eligible for tax credits. Retail businesses and public utilities are not eligible to claim tax credits.

Source: https://businessfacilities.com/state-by-state-incentives-guide/
http://business.utah.gov/programs/incentives/

WYOMING

FINANCING & GRANTS

Value-Added Agriculture Loan: Wyoming producers, producer groups and agribusiness entities may work with their lender to apply for the Value-Added Agriculture Loan. The bank is the applicant and the producer, producer group or agribusiness entity is the beneficiary. Funds may be used for machinery, equipment and facilities necessary in the processing or packaging of an agricultural commodity. Funds may not be used to finance working capital, for production-related expenses or to refinance existing debt.

Business Ready Community Grant & Loan Program: The Wyoming Business Council's Business Ready Community grant and loan program provides financing for publicly owned infrastructure to assist the start-up, retention, expansion or location of a specific committed business. The maximum award is $3 million with a 10 to 30 percent match. Cities, towns, counties, joint powers boards and the Eastern Shoshone and Northern Arapaho tribes are eligible to apply for funding.

Community Development Block Grant (CDBG) Program: Administered by the Wyoming Business Council, it provides grants to local governments for community and economic development projects and makes convertible loans based on job creation as well as other tools that may assist businesses.

Economic Development Large Project Program: The program allows the Wyoming State Treasurer to lend funds for the benefit of Wyoming businesses. The loan may finance the purchase, construction and installation of buildings or equipment that will add economic value to goods, services or resources within the state. The minimum loan amount is $5 million, and the applicant must contribute at least 25 percent of the total project cost.

Tax-exempt Industrial Development Revenue Bonds: Cities and counties may issue tax-exempt industrial development revenue bonds to provide financing for manufacturing and energy generation businesses. These bonds are issued within the State's IRS allocation of tax-exempt bond financing. The business must provide a bank "letter of credit" to guarantee payment of the bonds. Interested businesses must apply for an allocation within the State[1]s volume cap. The Wyoming Business Council will coordinate this process.

Managed Data Center Cost Reduction Grant Program: The program designed for the recruitment and growth of data centers in Wyoming reimburses the accrued utility expenses for power or broadband up to a maximum grant award of $2.25 million. The grant amount is based on how much capital investment and payroll the business will realize over five years. The business must create a match of at least 125% of the grant amount in payroll and capital expenditure with the caveat that 50% of the match will be in payroll creation. Payroll must be greater than 150% of the county's median wage.

Organic Certification Reimbursement Program: Funded by the U.S. Department of Agriculture, in conjunction with the Wyoming Business Council, it is designed to help Wyoming processors with the costs associated in becoming organically certified. Grants are available for Wyoming farms/ranches (organic producers).

Small Business Investment Credit Program: The Wyoming Small Business Investment Credit (SBIC) program is designed to facilitate access to an alternative source of financing for Wyoming small businesses and entrepreneurs. Through this program, qualified businesses can obtain capital in the form of debt or equity financing.

Wyoming Partnership Guaranteed Loan Participation: The Wyoming Business Council can participate with a lender that has secured a federal guarantee (i.e. U.S. Small Business Administration or U.S. Department of Agriculture) to guarantee repayment of a loan made to a business. The maximum participation by the Business Council shall be 50% of the loan or $2 million, whichever is less. The interest rate is set at 5 percent (fixed) for the first five years of the loan participation.

Wyoming Partnership Bridge Loan: The Wyoming Business Council can participate with a local lender on a loan to a business. The state's portion of the participation may be up to 35% of the project (maximum of $1 million) in a shared note and collateral position with the local lender. The interest rate is set at 5 percent (fixed) for the first five years of the loan participation.

TAX INCENTIVES

Wyoming has:

- no corporate state income tax,
- no personal state income tax
- no inventory tax
- no franchise tax
- no occupation tax
- no value-added tax.

Manufacturing Sales Tax Exemption: The sales tax burden is exempt on the sale or lease of machinery to be used in the state of Wyoming directly and predominantly in manufacturing tangible personal property.

Sales Tax Exemption on Electricity Used in Manufacturing: The sales tax burden is exempt on sales of power or fuel to a person engaged in the business of manufacturing, processing or agriculture when the same is consumed directly in the manufacturing process.

Data Center Sales Tax Exemption: For data centers with a minimum $5 million investment in capital infrastructure and an additional $2 million in data center equipment and software purchases.

At a $50 million investment in capital infrastructure, HVAC and UPS system purchases are also sales tax exempt.

WORKFORCE DEVELOPMENT

Workforce Development Training Fund: Business Training Grants for Existing Positions provide up to $2,000 per trainee per fiscal year for established Wyoming businesses with existing employees who need a skill upgrade or retraining in their current occupations.

Business Training Grants for New Positions provide between $1,000 to $4,000 per trainee per fiscal year depending on the employee's full-time status and wage amount.

Grants for New Positions were developed to assist Wyoming businesses in two ways: Wyoming business expansion and new business recruitment.

The Pre-Hiring Economic Development Grant Program is designed to train skilled workers in a particular business, businesses or industry. Applications are completed through a partnering of four entities that contribute separate needs or services to the program:

- A training entity that can deliver the training, certificate or skills the business requires.
- A business, group of businesses or an industry with a need for workers.
- The local or regional economic development entity that will work within the local or regional economic network to provide assistance.
- The local Workforce Center, which will assist in the recruitment of potential skilled workers, along with placement of trained participants.

Pre-Obligation Grants was developed for the state's economic development partners working on large relocation or expansion projects. The grant allows economic developers the flexibility to request advance allocation of Workforce Development Training funding in support of a new or expanding business in Wyoming. Pre-Obligation funds may only be requested by economic development entities, and any funding allocated must be disbursed through an approved Pre-Hire Economic Development Grant and/or a Business Training Grant for New Positions.

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

http://www.wyomingbusiness.org/thatswy