



Editor's Note:
Some programs may be subject to implications of the federal court ruling discussed in *North American Reports*, in the Nov. 2004 issue of *Site Selection*.

CHART 1: Financial Assistance for Industry*

*See footnotes following this page.

STATES	State-Sponsored Industrial Development Authority	Privately Sponsored Development Credit Corporation	State Authority or Agency Revenue Bond Financing	State Authority or Agency General Obligation Bond Financing	City and/or County Revenue Bond Financing	City and/or County General Obligation Bond Financing	State Loans for Building Construction	State Loans for Equipment, Machinery	City and/or County Loans for Building Construction	City and/or County Loans for Equipment, Machinery	State Loan Guarantees for Building Construction	State Loan Guarantees for Equipment, Machinery	City and/or County Loan Guarantees for Building Construction	City and/or County Loan Guarantees for Equipment, Machinery	State Financing Aid for Existing Plant Expansion	State Matching Funds for City and/or County Industrial Financing Programs	State Incentive for Establishing Industrial Plants in Areas of High Unemployment	City and/or County Incentive for Establishing Industrial Plants in Areas of High Unemployment
ALABAMA	•	•	•		•	*1	•	•	•	•				*2,12		•	•	
ALASKA	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
ARIZONA					•	•	•	•	•	•	•	•	•	•			*22	•
ARKANSAS	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
CALIFORNIA	•	*5	•	•	•	•	•	•	*1	*1	•	•	•	•	•	•	•	•
COLORADO	•	*4			•		•	•	*1	*1	•	•	•	•	•	•	•	•
CONNECTICUT	•	•	•	•			•	•	•	•	•	•	•	•	•	•	•	•
DELAWARE	•	•	•		•		•	•	•	•	•	•	•	•	•	•	•	•
FLORIDA			*32		•	•	*20	*20	•	•			•	•	*20		*8	•
GEORGIA	•	•	*23		•	•			•	•							•	•
HAWAII	•		•	•	•		*15	*15							*15		*8	*8
IDAHO		•			•				*1	*1								
ILLINOIS	•	•	•		•		•	•	•	•					•		•	•
INDIANA	•	•	•		•	•	•	•	•	•	•	•	•	•	•	•	•	•
IOWA	•	•	•		•		*18	*18	•	•	•	•	•	•		*18	•	•
KANSAS			•	•	•	•			•	•			•	•	•	•	•	•
KENTUCKY	•	•	•	•	•	•	•	•	*11	*11					•	•	•	*8
LOUISIANA		*4	*2	*2	•	•	*25	*25	*26	*26	*6	*6	•	•	*25	*19	•	•
MAINE	•	•	•		•	•	•	•	•	•	•	•	•	•	•	•	•	•
MARYLAND	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	*31	•	•
MASSACHUSETTS	•	•	•		•	•	•	•	•	•	•	•	•	•	•	•	•	•
MICHIGAN	•	•	•		•	•	•	•	•	•	•	•	•	•	•	•	•	*30
MINNESOTA	•	•	•	*13	•	•	•	•	*9	*9			•	•	•	•	•	•
MISSISSIPPI	•	•	•	•	•	•	*15	*15	•	•	*15	*15			*2		•	•
MISSOURI	•	*4	•		•		•	•	•	•	•	•	•	•	•	•	•	•
MONTANA		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
NEBRASKA	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	*2	•
NEVADA	•	•	•	•													•	•
NEW HAMPSHIRE	•	•	•		*21	*21			*21	*21	•	•	*21	*21	•			
NEW JERSEY	•		•		*10	*10	•	•	•	•	•	•	•	•	•	•	•	•
NEW MEXICO	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
NEW YORK	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
NORTH CAROLINA	•				•	•			•	•			•	•	•	•	•	•
NORTH DAKOTA		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
OHIO	•	•	•		•	•	•	•	•	•	•	•	•	•	•	•	•	•
OKLAHOMA	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
OREGON	•	•	•	•	•	•	•	•	•	•	•	•	•	*11	*11	•	•	•
PENNSYLVANIA	•	•	•	•	•	•	*14	•	•	•	•	•	•	•	•	•	•	•
RHODE ISLAND	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
SOUTH CAROLINA	•	•	•		•	•	•	•	*1	*1			*17	*17	•		•	*7
SOUTH DAKOTA	•		•	•	•	•	•	•	*1	*1					•	•	•	•
TENNESSEE			•	•	•	•	•	•	*27	*11	*11	*33	*33		•	*34	•	•
TEXAS	•	•	•	•	•	•	•	•	•	•	•	•	•	*11	*11	•	•	•
UTAH	•	•			•	•			•	•							*22	
VERMONT	•	•	•		•	•	•	•	•	•	•	•	•	•	•	•	•	•
VIRGINIA	•	•	•		•	•	•	•	*24	*24			*35		•	*36	•	•
WASHINGTON	•	•	•		•	•			•	•			•		•	•	•	•
WEST VIRGINIA	•	•	•		•	•			•	•	*3	*3			•	•	•	•
WISCONSIN	•	•	•		•	*16	•	•	•	•			*28	*28	•		*29	•
WYOMING	•	•	•		•	•	•	•	•	•	•	•	•	•	•	•	•	•
STATE TOTALS	42	39	45	24	47	39	42	43	46	46	30	33	19	19	44	27	43	38
PUERTO RICO	•	•	•		•	•	•	•	•	•	•	•	•	•	•	•	•	•

CHART 1 FOOTNOTES

- 1 Permitted only in specified municipalities.
- 2 State allows cities or counties to offer financial aid for existing plant expansions. In Louisiana, state-financing aid is directly involved only in the case of those port authorities whose obligations are backed by the full faith and credit of the state.
- 3 Loan-loss reserves program which guarantees banks against losses for loans for building construction and equipment.
- 4 Authorized but none is active.
- 5 State-sponsored but privately operated nonprofit Regional Job Development Corporations may be established in low-income areas to provide loans to small businesses.
- 6 Louisiana Economic Development Corp. can participate in or guarantee loans to banks for small business or socially or economically disadvantaged persons unable to obtain assistance through traditional means.
- 7 Available only in incorporated municipalities.
- 8 Limited to state-designated Enterprise Zones and Rural and Urban Job Tax Credit areas.
- 9 Permitted for processing products of agriculture, including forestry and timber production.
- 10 Applies only to pollution-control equipment.
- 11 In several cities and counties statewide. In Texas, available only in cities and counties which levy a local sales tax for economic development.
- 12 Alabama offers site grants of up to \$150,000 to industries for grading of land and roads, plus drainage.
- 13 For public facilities only.
- 14 State and local program of participation in building construction.
- 15 Small business program.
- 16 For acquiring and developing sites.
- 17 In South Carolina, Regional Development Corporations can act as borrower for building, machinery and equipment loans with a credit-worthy lease from the company.
- 18 Iowa has a \$3 million Community Economic Betterment Account (CEBA). Assistance for projects may be used for site preparation, land, building construction or purchase, machinery and equipment and working capital. Forms of assistance are principal buydowns, interest buydowns, grants, forgivable loans, loans and loan guarantees, equity-like investments or cost reimbursement for technical/professional management services.
- 19 Louisiana Economic Development Corp. can match private investment in qualified venture-capital funds on a 1-to-2 basis up to \$5 million.
- 20 Florida has eight (8) Certified Development Corporations that offer federal SBA 504 program loans, including one statewide organization.
- 21 By special statute in specified communities.
- 22 Available in enterprise zones.
- 23 Under Georgia's bond allocation program, the Georgia Dept. of Community Affairs allocates IRB funds to communities.
- 24 Financing available through block grants and EDA funds administered by state through city/county revolving loan funds.
- 25 State Market Commission makes loans for buying, building and improving agri-industrial plants. Also provides loan guarantees and grants under LED programs.
- 26 Louisiana Economic Development Corp. (LEDC) makes loans for new and/or existing businesses, construction, land, equipment, machinery, etc. State Community Development Block Grant (CDBG) Program allows local governments to loan money for economic development.
- 27 Financing available through block grants administered by the state.
- 28 Capital access program in Milwaukee County.
- 29 Available only in "development zones" designated for economically distressed areas.
- 30 Available only in one city.
- 31 Through the Maryland Industrial and Commercial Redevelopment Fund, the state can lend money to a local jurisdiction to guarantee loans for equipment and machinery.
- 32 State set-aside for economic development private-activity bonds.
- 33 Only for child-care facilities.
- 34 Matching funds for infrastructure projects available through the Tennessee Industrial Infrastructure Program.
- 35 The Virginia Small Business Financing Authority offers intermediate-term loans under the Loan Guaranty Program.
- 36 Matching funds available through the Governor's Opportunity Fund grant program. Matching funds are provided for site development, site preparation, infrastructure improvements and other uses. The governor has final approval of the discretionary fund program.



**See footnotes following this page.*

CHART 2: Tax Incentives for Industry*

STATES	Corporate Income Tax Exemption	Personal Income Tax Exemption	Excise Tax Exemption	Tax Exemption or Moratorium on Land, Capital Improvements	Tax Exemption or Moratorium on Equipment, Machinery	Inventory Tax Exemption on Goods in Transit (Freeport)	Tax Exemption on Manufacturers' Inventories	Sales/Use Tax Exemption on New Equipment	Tax Exemption on Raw Materials Used in Manufacturing	Tax Incentive for Creation of Jobs	Tax Incentive for Industrial Investment	Tax Credits for Use of Specified State Products	Tax Stabilization Agreements for Specified Industries	Tax Exemption to Encourage Research and Development	Accelerated Depreciation of Industrial Equipment
ALABAMA	•	•	•	•	•	•	•	•	•	•	•			•	•
ALASKA		•	•	•				•	•			•			*59
ARIZONA	•	•		*30	•	•	•	•	•	•	*74			•	•
ARKANSAS	*17		•	*11	*11	•	*66	•	•	•	•	*20		•	
CALIFORNIA		•	•	•	•	•	•	•	•	•	•			•	*10
COLORADO	•		•	•	•	•	•	*93	•	*21	•				
CONNECTICUT	•		•	•	*23	•	•	*21	•	*12	*12		•	*12	*1
DELAWARE	•	*65	*24	•	*65	*65	*65	*65	•	•	•			•	•
FLORIDA	•	*25	*24	*31	*31	•	•	*57	•	•	•			*9	*18
GEORGIA				•	•	•	•	•	•	•	•			•	•
HAWAII	*94	*94, 95	*21, 66	•	•	•	•	•	*38	*21	*96		•	•	*59
IDAHO	•			•	•	•	•	•	•	•	•			•	•
ILLINOIS	*21	*21	*21	•	•	•	•	•	•	*21	•			•	*59
INDIANA	•	•		*36	•	*7	*7	•	•	*21	*36			•	•
IOWA	*27	*53	•	*8	*4	•	•	*29	•	•	•			•	*59
KANSAS	*2	*2, 53		*30	*30	•	*5	*19	*6	•	•			•	*59
KENTUCKY	*88	*89		•	*72	*72	*72	•	•	•	•	•		•	*59
LOUISIANA	*32	*53		*33	•	•	•	*107	*6	*13	•		*108	*109	*59
MAINE	•	*118		*119	•	•	•	•	*34	•	•			•	*59
MARYLAND	*63	•	•	*31	•	•	•	•	•	•	•			*37	•
MASSACHUSETTS	*22	•	*22	*28	*42	•	•	*35	•	*43	*22		•	*49	•
MICHIGAN	•	•		•	•	•	•	•	•	*87	•		•	•	*59
MINNESOTA	*69		•	*10	•	•	•	*40	•	*69	*69		•	•	*59
MISSISSIPPI	•	•		•	•	•	•	*73	•	•	•			•	*59
MISSOURI	•	•	*24	•	*6	•	•	•	•	•	•			*84	•
MONTANA	•	•		*64	*64	•	•	•	•	•	•	•	*39	•	•
NEBRASKA		•		*67	*67	•	•	*50	•	•	•				*59
NEVADA	*25	*25	*24		•	•	•	•	*60	•	•				
NEW HAMPSHIRE		*25		•	•	•	•	*41	*41						•
NEW JERSEY	*56	•		•	•	•	•	•	•	•	•			•	
NEW MEXICO	•	•		•	•	•	•	•	•	•	•			•	*59
NEW YORK	*46, 47	*46	*24	•	*48	*48	*48	•	•	*46	*46			*47	
NORTH CAROLINA	*114		*115	*116	*117	•	•	•	•	•	•			•	•
NORTH DAKOTA	•		•	*51	*48	*48	*48	•	•	•	•			*37	
OHIO	*76	*76		*21	*77	•	*78	*77	*79	*80	•			*81	*59
OKLAHOMA	*86	•	*45	*8	•	•	•	•	•	•	•	*26	*14	•	*59
OREGON			*52	*51	*51	*85	•	*41	•	•	•			•	•
PENNSYLVANIA	*68, 113	*68	*54	*111	*111	*55	*55	*110	*6, 111	*68	•	•	•	*68	*112
RHODE ISLAND			•	•	•	•	•	•	•	•	•	•	•	•	*59
SOUTH CAROLINA	•			•	•	•	•	•	•	•	•			•	•
SOUTH DAKOTA	*25	*25	•	•	•	•	•	•	•	*25	*25			*25	*25
TENNESSEE	•	*71	•	*31	*70	•	•	•	*3	*97	*15			•	•
TEXAS	*25	*25		*58	*58	•	•	*82	•	*21	•			•	
UTAH				•	•	•	•	•	•	•	•			•	•
VERMONT			•	•	•	•	•	•	•	•	•			•	•
VIRGINIA	*68	•		*31	*31	*44	*44	•	•	*90	*91		*92	•	•
WASHINGTON	*25	*25	•	•	•	•	•	*82	•	•	•			*82	
WEST VIRGINIA	*98	*99	*100	*101	*102	•	•	•	•	*103	*104	•		*105	*106
WISCONSIN	*62	*75		•	•	•	•	•	•	*83	*83			•	•
WYOMING	*25	*25		•	•	•	•	•	•	•	•			•	•
STATE TOTALS	41	37	28	40	44	49	47	49	50	45	45	8	12	42	41
PUERTO RICO	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•

CHART 2 FOOTNOTES

- 1 Carried out through local development corporations.
- 2 In metro areas, income tax credits of \$1,500 per employee hired, plus \$1,000 for each \$100,000 of qualified capital investment, are available. Amount increases to \$2,500 per employee in nonmetro areas.
- 3 Raw materials for processing are exempt from sales and use taxes. However, a personal property inventory tax is levied at the local level on raw materials a manufacturer has on hand on Jan. 1. Finished goods in hands of manufacturer are exempt from taxation.
- 4 Newly acquired computers and manufacturing equipment/machinery, plus new machinery and equipment used for recycling plastic, wastepaper products and waste paperboard, are exempt from property taxes.
- 5 Merchants' and manufacturers' inventories are exempt from property taxes.
- 6 Sales/use tax exemption.
- 7 Finished goods stored in public or private warehouses destined for out-of-state shipment are exempt.
- 8 Five-year tax exemption (local and state option in Oklahoma) on new industrial building, construction and expansions.
- 9 Florida exempts research and development equipment used in the silicon technology industry from the sales and use tax. Also, the labor component of prototypes is exempt from the use tax. Experiments carried out in orbital or suborbital rockets are exempt from the sales and use tax, as well as the rocket and its fuel. Partially (25%) exempts R&D equipment used in space and defense.
- 10 Applies only to pollution-control equipment.
- 11 Negotiable using Act 9 bonds.
- 12 Connecticut Urban Jobs Program available in 18 "distressed" and 29 "high unemployment" communities.
- 13 All new job credits in enterprise zones are \$2,500 per employee (\$5,000 for employees in the aircraft or auto-parts manufacturing industries). New job credits outside enterprise zones are up to \$750 per new full-time job created. Six-percent payroll credited in quality jobs program.
- 14 A gross production tax on textile mills in lieu of property tax.
- 15 1% of investment in industrial machinery against corporate excise tax.
- 16 Pennsylvania has adopted ACRS.
- 17 Advantage Arkansas provides a credit on state income tax equal to between 1% and 4% of new payroll for five years, depending on the tier (four tiers) of the county in which the business locates. For the business to qualify for the income tax credit, employees must be Arkansas taxpayers. The credit begins in the year in which the new employees are hired. Any unused portion of the credit may be applied against income tax for the succeeding nine years.
- 18 State corporate tax code is "piggy-backed" to the federal Internal Revenue Code. Federal depreciation is used.
- 19 Purchase and installation of machinery and equipment and materials used in construction or expansion of a qualified facility are exempt from sales tax. Tangible personal property may also be exempt from sales tax. Additionally, building materials and permanently installed equipment financed with industrial revenue bonds may be exempt from sales tax.
- 20 7-year ad valorem tax exemption on textile plants.
- 21 Applies in enterprise zones. In Texas, projects in enterprise zones are allowed a \$2,500 state tax refund per new job (\$250,000 maximum per year for 5 years). The franchise tax credit is offered to businesses that create 10 new fulltime jobs within "Strategic Investment Areas" of the state.
- 22 A tax credit equal to 3% of qualified capital invested in depreciable capital assets may be applied against the business corporate excise tax during the year in which the facilities are used and situated in Massachusetts. Unused portions of the credit may be carried forward up to three years.
- 23 Equipment and machinery acquired after the 1973-tax assessment date is exempt from local property tax.
- 24 Delaware, Florida, Missouri, Nevada and New York do not collect excise tax.
- 25 Nevada, South Dakota, Washington and Wyoming do not tax corporate or personal income. Florida, New Hampshire and Texas do not tax personal income.
- 26 For use of Oklahoma natural gas and coal.
- 27 50% of federal tax paid is exempt from corporate income tax. Corporate income tax is figured only on profits from sales in Iowa. Corporate tax credits for new jobs created. Iowa has adopted the Federal Accelerated Cost Recovery System.
- 28 Chapter 121A of the Massachusetts General Laws allows municipalities to negotiate 15-to-40-year tax agreements with businesses. The companies are taxed primarily on an income basis rather than assessed valuation. The minimum tax due is 5% of gross income plus \$10 per \$1,000 of assessed valuation annually. A contract must be approved by the mayor or city manager in a city or the board of selectmen in a town, the local planning board, and the state Dept. of Community Affairs.
- 29 Sales and use tax exemption on industrial machinery, equipment and computers and on energy used in processing.
- 30 City or county governing bodies may exempt all or any portion of buildings, land and associated tangible personal property used exclusively by a business for (a) manufacturing, (b) conducting research and development, or (c) storing goods or commodities which are sold or traded in interstate commerce. Applies to expansions if new employment created. An exemption up to 10 years is allowed.
- 31 In Maryland, exemption may be applicable at the county or local level. In Tennessee, exemption is applicable to plants financed with industrial revenue bonds. In Virginia, localities have the option of totally or partially exempting pollution control, recycling, solar energy and energy conversion equipment and facilities. In Florida, the exemption is a local option, and school and special district taxes are excluded from the exemption.
- 32 Allows full deduction of federal income tax paid from taxable income.
- 33 Exemption applicable to all new capital improvements.
- 34 Allowed except for sales/use tax when purchased for use as an ingredient in tangible personal property for sale.
- 35 Machinery, equipment and inventory are exempt from local property tax. Inventory, machinery and equipment are subject to a levy at the state level of \$2.60 per \$1,000 valued at federal adjusted basis.
- 36 10-year partial property tax abatement in designated areas of all cities and towns for renovation or new construction of facilities.
- 37 R&D equipment is classified as manufacturer's machinery and equipment and, as such, is eligible for tax exemptions.
- 38 Income tax credit for tax paid.
- 39 New research and development activities are exempt from certain taxes for five years.
- 40 All sales and use taxes paid on capital equipment used in new and expanded production capacity are refunded.
- 41 State does not collect sales/use tax.
- 42 Machinery, equipment, replacement parts, materials, tools and fuel used directly and exclusively in an industrial plant, in furnishing power to an industrial plant or a corporation engaged primarily in research and development, and in agricultural production and commercial fishing are exempt from sales and use taxes.
- 43 Corporations claiming TJTC tax credits on federal tax returns may treat these claims as deductible expenses on the state corporate excise tax. In addition, in the state's apportionment formula, the method by which Massachusetts calculates the allocated net income for multi-state corporations, a ceiling has been placed on the amount allocated to the payroll factor so that the entire payroll is not counted for taxation purposes. This ceiling, set at the 1972 payroll level, plus 5% of actual payroll, whichever is greater, eases the financial burden of new corporations, whose allocated payroll starts with 75% of actual payroll.
- 44 Virginia does not tax a manufacturer's inventory. Localities have the option of taxing merchant's inventories. Foreign trade zones also provide for exemptions on imported goods that still have import status, or goods scheduled for export.
- 45 For selected industries.
- 46 Tax credits include: 5% of first \$350 million (4% of amounts over \$350 million or for amounts invested under the personal income tax) invested in new production and pollution-control facilities. Firms maintaining or increasing employment in the state are eligible for an additional credit of 1.5% to 2.5%, depending on the number of new jobs created, for two years succeeding the original investment. In Empire Zones, investment tax credit is 10%, and employment incentive credit is 3% per year for three years succeeding the investment. Businesses creating jobs in an Empire Zone may be eligible for a wage tax credit for 5 years, equal to \$1,500 per job (\$3,000 per job for certain targeted workers).
- 47 A credit against the corporate franchise tax is available at 9% of the cost or other basis for federal income tax purposes of qualified research and development tangible property; the research and development credit under the personal income tax is 7%. Research and development tax credit is taken in lieu of investment tax credit. In addition, machinery and equipment used in research and development is exempt from sales tax.
- 48 Tangible and intangible personal property is not subject to ad valorem taxes.
- 49 In general, Massachusetts follows federal tax provisions in allowing corporations to expense R&D expenditures. There is also a five-year tax exemption on gross income derived from the development in the state of patents useful for energy conservation or activities. Corporations making donations of scientific equipment to institutions of higher education in the state are allowed an additional deduction of 25% of the federal charitable deduction for gifts of qualified scientific property on the Massachusetts corporate excise tax. Manufacturers are exempt from sales/use tax for gifts of scientific equipment to educational institutions.
- 50 Refundable if the equipment is bought for a new or expanding manufacturer.
- 51 In North Dakota, exemption extends only to new construction. In Oregon, exemption is allowed while facility is under construction only.
- 52 Tax credits allowed to manufacturers and processors for goods in process.
- 53 Allows all federal exemptions and deduction of federal income tax paid. In Kansas, taxpayer has the option to deduct federal income tax liability.
- 54 Capital stock and franchise tax.
- 55 Exclusion of tangible personal property from taxation at local level. State has no inventory tax.
- 56 Credits against corporate income tax for recycling equipment and some employees hired in Urban Enterprise Zones.
- 57 In Florida there is an exemption from the sales and use tax for manufacturing machinery and equipment for new businesses and a \$50,000 cap on such taxes for expanding businesses. However, all manufactur-

CHART 2 FOOTNOTES (cont.)

- ing machinery and equipment purchases for the silicon technology industry are completely exempt from the sales and use tax.
- 58** 10-year annexation or de-annexation exemption.
- 59** Allowable depreciation is similar or identical to that permitted under federal laws. Depreciation is accelerated even more for certain types of manufacturing equipment.
- 60** Nevada does not have such an exemption. But manufacturers with resale certificates do not pay sales/use tax on raw materials used in manufacturing.
- 62** A credit is allowed for sales tax paid on energy.
- 63** One of many incentives available within Maryland's 24 enterprise zones.
- 64** There are reduced rates available for the first three years to new qualifying industry.
- 65** Delaware corporations are not liable for personal income tax.
- 66** Exempt if inventory destined for out of state.
- 67** For qualifying companies.
- 68** Tax credits are available.
- 69** Minnesota exempts corporate income tax, property tax, sales tax and investment earnings taxes in selected Job Opportunity Building Zones, in rural Minnesota and for selected biotechnology companies.
- 70** No sales or use tax on machinery or repairs.
- 71** Personal income tax exemption on wages only.
- 72** Exempt from local taxes. In Kentucky, exemption does not apply to finished-goods inventories.
- 73** Exemption applicable to raw materials and in-process goods only.
- 74** Available in enterprise zones, military reuse zones and foreign-trade zones.
- 75** 60% capital gains exclusion.
- 76** Corporate franchise tax or personal income tax credit for a portion of personal property tax paid on new machinery/equipment.
- 77** Sales tax exemption when used directly in manufacturing. Property tax exemption when located in enterprise zone. Pollution-control equipment and energy-conservation facilities, wherever located, are exempt from property tax.
- 78** Applies to inventory located in enterprise zones and foreign trade zones.
- 79** Exempt from sales/use tax. Exempt from property tax if located in enterprise zone or foreign trade zone.
- 80** Business located in enterprise zones are eligible for property tax abatement and corporate franchise tax credit.
- 81** Payroll and property used for R&D are excluded from corporate franchise tax apportionment formula.
- 82** In Washington, tax is deferred. In Texas, exemption applies only to manufacturing and processing equipment.
- 83** Available only in economically distressed "development zones."
- 84** Income-tax credit for creation of jobs/investment.
- 85** Oregon has no inventory tax.
- 86** Credit of 1% for investment in qualified depreciable property over \$50,000 placed in service or credit of \$500 per new full-time employee, whichever is greater. For investments over \$40 million, credit rises to 2% or \$1,000 per new employee. Credit is doubled in enterprise zones.
- 87** Michigan Economic Growth Authority.
- 88** Incentives allow 100% credit against state corporate income tax.
- 89** Incentives allow certain employers to keep state income tax withholdings, with employees receiving an equal credit.
- 90** Virginia has a job creation tax credit available to any qualified company that creates more than 100 jobs in a 12-month period. Tax credits of \$1,000 per job are available for each job created over the initial 100. In economically distressed areas and enterprise zones, the required threshold is lowered to 50 jobs.
- 91** Tax incentives for investment are available in the following areas: investment occurring in an established Enterprise Zone, investment in certified recycling equipment, and investment in clean-fuel vehicles.
- 92** Localities in Virginia have the ability to establish technology zones by ordinance to attract targeted industries by offering local tax benefits and certain regulatory flexibility. Each locality designs and administers its own program.
- 93** Exemptions are available statewide as follows: Purchases of manufacturing equipment or machine tools of over \$500, component parts, fuels and electricity, ink and newsprint, aircraft parts used in general maintenance, interstate long distance telephone charges, farm equipment and machinery, and packaging materials are exempt from state sales and use tax. State sales and use taxes paid on the sale, storage, use or consumption of tangible personal property to be used in Colorado directly and predominantly in research and development of biotechnology are refundable.
- 94** Exemption for royalties derived from patents, copyrights and trade secrets arising from a "Qualified High Technology Business".
- 95** Exemption for income received from stock options by employee, officer or director of a "Qualified High Technology Business"
- 96** 100% non-refundable income tax credit up to \$2 million over 5 years for investment in a "Qualified High Technology Business".
- 97** \$2,000 per job (\$3,000 per job in Special Enhanced Counties); Applied to both franchise and excise tax; Must create 25 jobs and increase capital investment by \$500,000 in qualified business enterprise within a fiscal year; May be carried forward 15 years; The percentage of liability offset from 33 1/3 to 100 for employment ranging from 1,000 to 5,000 or more.
- 98** A tax credit equal to 5% of qualified capital invested in depreciable capital assets is pro-rated for use over a ten-year period to offset up to 50% of annual tax liability. An alternative 20% capital investment tax credit, tied to a minimum employment increase of 20 full-time equivalent employees, is pro-rated for use over a ten-year period to offset up to 80% (100% if the median compensation of employees equals or exceeds the statewide average salary) of annual tax liability attributable to the qualified investment.
- 99** A 20% capital investment tax credit, tied to a minimum employment increase of 20 full-time equivalent employees, is pro-rated for use over a ten-year period to offset up to 80% (100% if the median compensation of employees equals or exceeds the statewide average salary) of annual business profit tax liability attributable to the qualified investment.
- 100** A tax credit equal to 5% of qualified capital invested in depreciable capital assets is pro-rated for use over a ten-year period to offset up to 50% of annual tax liability. An alternative 20% capital investment tax credit, tied to a minimum employment increase of 20 full-time equivalent employees, is pro-rated for use over a ten-year period to offset up to 80% (100% if the median compensation of employees equals or exceeds the statewide average salary) of annual tax liability attributable to the qualified investment.
- 101** Property tax liability is reduced by 95% for a period of 10 years on certified capital additions of \$50 million or more to an existing manufacturing facility with an original cost value of \$100 million or more.
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- 104** A tax credit equal to 5% of qualified capital invested in depreciable capital assets is pro-rated for use over a ten-year period to offset up to 50% of annual tax liability (i.e., both corporate income tax and business franchise tax).
- 105** A tax credit equal to the greater of 3% of total qualified research and development expenditures or 10% of the amount of qualified research and development expenditures in excess of a three-year base level may be used to offset up to 100% of tax liability for business franchise tax, corporate income tax and personal income tax on flow-through income. Excess credits may be carried over for a period of up to 10 years. West Virginia also exempts purchases of items for use in qualified research and development from the sales and use tax.
- 106** West Virginia generally follows federal law with regard to accelerated depreciation, including both the Section 179 expensing and bonus depreciation provisions. In addition, qualified pollution abatement equipment is expensed in the year such property is placed into service in West Virginia.
- 107** Quality Jobs and Enterprise Zone Programs allow sales tax exemption.
- 108** Louisiana has Tax Equalization Program to make its taxes as low as any competing state.
- 109** Louisiana's Research and Development Tax Exemption is marketable.
- 110** Unless the purchase falls under the manufacturing exemption, Pennsylvania does not have a specific exemption for new equipment purchases.
- 111** Assets used in Manufacturing, Processing, and Research and Development are exempt in the calculation of the Capital Stock Tax and Foreign Franchise Tax. Tax credits are available for real and tangible personal property located in a keystone Opportunity zone.
- 112** Does not allow deduction for additional depreciation under IRC Sec 168(k). Deduction of 3/7 of the IRC Sec 167 Depreciation on assets on which the taxpayer deducted the additional depreciation, up to the amount of the disallowed expense, is allowed. Deduction is also allowed for any disallowed additional depreciation not recovered over the life of the property at the time of disposition of the asset.
- 113** Subchapter S Corporations must make a separate election for PA-S Corporation Status. This election must be filed with 75 days of the beginning of the first period for which the election is to be in effect.
- 114** Grants and credits are available through the William S. Lee Act.
- 115** Credits for franchise taxes are available through the William S. Lee Act.
- 116** Sales tax refunds are available for large projects with significant investment levels.
- 117** The state offers a reduced sales tax of 1% or \$80 per piece of equipment. Property tax grants are available from local governments.
- 118** Maine returns a portion of individual's income tax to the employer as part of its Employee Tax Increment Financing (ETIF).
- 119** Municipalities in Maine have the option of offering Tax Increment Financing (TIF) to employers, returning all or a portion of property tax obligation.