

# CHART 1: Financial Assistance for Industry\*



	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	•	•	•	•	•	•			•	•			• 38	• 38	• 2, 12	•	•	•
ALASKA	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
ARIZONA			•		•	•									•			•
ARKANSAS	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
CALIFORNIA	•	• 5	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
COLORADO	•	• 4			•		•	•	•	•	•	•	•	•	•	•	•	•
CONNECTICUT	•	•	•	•			•	•	•	•	•	•			•		•	•
DELAWARE	•	•	•		•		•	•	•	•	•	•			•	•	•	•
FLORIDA	• 32		• 32		•		•	•	•	•	•	•	•	•			• 6	•
GEORGIA	•	•	• 23		•	•	• 49	• 49	•	•	•	•		• 50			•	•
HAWAII	•		•	•	•	•	• 15	• 15						• 15		• 8	• 8	•
IDAHO		•			•	•			• 1	• 1								
ILLINOIS	•	•	•		•		•	•				• 37			•		•	•
INDIANA	•	•	•		•				•	•				•	•	•	•	•
IOWA	•	•	•				• 18	• 18	•	•	•	•			•	• 18	•	•
KANSAS			•	•	•	•	• 51	• 51	•	•				• 51	• 51		•	•
KENTUCKY	•	•	•	•	•	•	•	•	• 11	• 11					•		•	•
LOUISIANA	• 54	•	• 55	• 54	•	•	• 25	• 25	•	•	•	•	•	•	•	•	•	•
MAINE	•		•		•	•	•	•	•	•	•	•	•	•	•	•	•	•
MARYLAND	•	•	•	•	•	•	•	•	•	•	•	•	•	• 31	•	•	•	•
MASSACHUSETTS	•	•	•		•		•	•	•	•	•	•	•	•	•	•	•	•
MICHIGAN	•	•	•		•		•	•	•	•	•	•	•	•	•	•	•	• 30
MINNESOTA	•	•	•	• 13	•	•	•	•	• 9	• 9			•	•	•	•	•	•
MISSISSIPPI	•	•	•	•	•	•	•	•	•	•	•	•	•	• 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	• 39		• 40	• 13, 41	• 42	• 42			• 45	• 45					• 46	•	•	• 53
NORTH DAKOTA		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
OHIO	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
OKLAHOMA	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
OREGON	•	•	•	•	•	•	•	•	•	•	•	•	•	• 11	• 11	•	•	•
PENNSYLVANIA	• 52	•	•	•	•	•	• 14	• 52	•	•	•	•	•	•	•	•	•	•
RHODE ISLAND	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
SOUTH CAROLINA	•	•	•		•												•	• 7
SOUTH DAKOTA	•		•	•	•	•	•	•	• 1	• 1							•	•
TENNESSEE	•	•	•	•	•	•	•	•	• 27	•	•	•	•	•	•	• 34	•	•
TEXAS	•	•	•	•	•	•	•	•	•	•	•	•	•	• 11	• 11	•	•	•
UTAH	•	•	•	•	•	•	•	•	• 4	•	•	•	•	•	•	•	•	• 22
VERMONT	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
VIRGINIA	•	•	• 35		•	•	•	•	• 24	• 24		• 35		•	•	• 36	•	•
WASHINGTON	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
WEST VIRGINIA	•	•	•	•	•	•	•	•	•	•	• 3	• 3			•	•	•	•
WISCONSIN	•	•	•		•	• 16	•	•	•	•	•	•	• 28	• 28	•		• 29	•
WYOMING	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
<b>STATE TOTALS</b>	<b>45</b>	<b>40</b>	<b>48</b>	<b>29</b>	<b>47</b>	<b>38</b>	<b>40</b>	<b>42</b>	<b>46</b>	<b>46</b>	<b>28</b>	<b>31</b>	<b>19</b>	<b>19</b>	<b>48</b>	<b>29</b>	<b>42</b>	<b>40</b>
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 insurance program which partially insures bank loans for buildings and equipment.
  - 4 We do not offer loans, but do offer Grants in rural counties when specific requirements are met.
  - 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 Limited Rural & Urban Job Tax Credit areas. Florida's Enterprise Zone Program sunsets 12/31/2015
  - 7 Available only in incorporated municipalities.
  - 8 Limited to state-designated Enterprise Zones and Rural & 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 Building PA – Provides mezzanine capital for developers for real estate assets in small to mid-sized Pennsylvania communities.
  - 15 Small business program.
  - 16 For acquiring and developing sites.
  - 18 Iowa has a variety of financial assistance for industry through the Grow Iowa Values Fund (GIVF). Assistance is provided in the form of loans and/or forgivable loans, based in part on job creation, capital investment, the ability to meet certain regional/county wage standards, quality of employment, and economic benefits for the state and local community. Applications are filed by cities, counties or community colleges on behalf of eligible businesses.
  - 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 Louisiana provides loan guarantees and grants under LED programs.
  - 27 Financing available through community development block grants administered by the state of Tennessee.
  - 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-pooled allocations for economic development private activity bonds.
  - 34 Matching funds for infrastructure projects available through the Fast Track Infrastructure Development Program.
  - 35 The Virginia Small Business Financing Authority offers intermediate-term loans under the Loan Guaranty Program.
  - 36 Matching funds available through the Commonwealth'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.
  - 37 Illinois Finance Authority has 85 percent loan guarantees available for agri-industries.
  - 38 Amendment 772 to the Alabama Constitution gives a county or its municipalities the right to lend its credit to or grant public funds and things of value in aid of or to any individual, firm, corporation, or other business entity, public or private, for the purpose of promoting the economic and industrial development of the county or the municipality.
  - 39 North Carolina offers grants and loans for infrastructure development through the Industrial Development Fund Utility Account. Each county has conduit issuer for tax exempt debt.
  - 40 Local Government Commission supervises, approves, and guides revenue bond application. Bonds are issued by the county bond authority. The NC Capital Facilities Finance Agency does multi-county industrial revenue bonds (IRBs).
  - 41 State GO bonds are for public purpose only and are approved by the Local Government Commission.
  - 42 Approved by the Local Government Commission; public purpose only.
  - 45 Some local governments in NC offer loans for M&E purchase or building construction through Revolving Loan Funds (RLF) that they have established, which were typically capitalized via grants from another governmental or non-profit agency.
  - 46 One NC grant; JDIG grant.
  - 48 State law allows for local incentive packages.
  - 49 Georgia has 13 Certified Development Corporations that offer federal SBA 504 program loans, including one statewide organization.
  - 50 Georgia Department of Community Affairs makes loans for land, new facilities, rehabilitation of existing facilities, machinery, equipment, etc. through the Employment Incentive Program (EIP). Projects creating opportunities for low and moderate income persons to advance themselves by obtaining employment, greater job security, better working conditions, job training, enhancement of workplace skills and advancement opportunities receive the greatest consideration.
  - 51 Community Development Block Grant (CDBG) – Eligible small city and county governments may apply for Community Development Block Grant economic development funds to assist an expanding or new business in Kansas. There are two parts to the program: business finance and infrastructure. Business finance funds are available for working capital, machinery and equipment and real property. For infrastructure, funding is available for water lines, sewer lines, roads, rail spurs and pre-treatment facilities. Funding requires the creation or retention of one full-time job per \$35,000 of CDBG assistance up to the maximum of \$750,000. At least 51 percent of the jobs created or retained must be held by individuals who meet HUD's low-to-moderate income requirements.
  - 52 PA Industrial Development Authority (PIDA) – Low-interest loan financing through Industrial Development Corporations for land and building acquisition, equipment, construction and renovation, resulting in the creation or retention of jobs.
  - 53 NC has a county tier system, in which a county that is more economically distressed may receive additional incentive dollars than that of a more prosperous county.
  - 54 Louisiana provides state bond funded grants and loans through LED.
  - 55 State allows cities or parishes to offer financial aid for existing plant expansions. Louisiana provides state bond funded grants and loans through LED.
- \* Kansas has a payroll withholding tax retention program, Promoting Employment Across Kansas, where eligible and approved companies can retain 95% of their employee's withholding tax for a period of five to 10 years. Kansas has workforce training funds available for new jobs as well as retraining for existing jobs of an eligible business. The funds can be used for pre-employment, classroom, on-the job or a combination of these. It can pay the negotiated costs for instructor's salaries; videotape development; textbooks and training manuals; supplies and materials; and curriculum planning and development.

## CHART 2: Tax Incentives for Industry\*



	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 (Freight)	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		•	• 74	• 30	•	•	•	•	•	•	•			•	•
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	•	•	•			•	• 18
GEORGIA	• 61	• 83	• 115	•	•	•	•	•	•	•	•			•	•
HAWAII	• 94	• 94, 95	• 21, 66		•	•	•	•	• 38	• 21	• 96		•	•	• 59
IDAHO	•				•	•	•	•	•	•	•			•	•
ILLINOIS	•	•	• 21a	•	•	•	•	•	•	•	•				• 59
INDIANA	•	•		• 36	•	• 7	• 7	•	•	• 21	• 36			•	•
IOWA	• 27	• 53	•	• 8	• 4	•	•	• 29	•	•	•			•	• 59
KANSAS	•	• 53		• 134	• 134	•	• 5	• 19	• 6	•	•			•	• 59
KENTUCKY	• 88	• 89		• 136	• 72	• 72	• 72	• 137	• 72	•	•	• 135		• 138	• 59
LOUISIANA	• 32	• 53		• 140	•	•	•	• 107	• 139	• 13	•		• 108	•	• 59
MAINE	•	• 118		• 119	•	•	•	•	• 34	•	•			•	• 59
MARYLAND	• 63	•	•	• 31	•	•	•	•	•	•	•			• 37	•
MASSACHUSETTS	• 22	•	• 22	• 28	• 42	•	•	• 35	•	• 43	• 22		•	• 49	•
MICHIGAN	•	•		•	•	•	•	•	•		•		•	•	• 59
MINNESOTA			•	• 10	•	•	•	•	•	• 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			• 2	•	•	•	•	• 9	•	•			•	
NEW MEXICO	•	•		•	•	•	•	•	•	•	•			•	• 59
NEW YORK	• 46, 47	• 46	• 24	•	• 48	• 48	• 48	•	•	• 46	• 46			• 47	
NORTH CAROLINA			•	• 116	• 117	• 127	• 127	• 129	• 130	• 142	• 142			• 132	• 133
NORTH DAKOTA	•		•	•	• 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, 68	• 111	• 111	• 55	• 55	• 110	• 6, 111	• 68	•	•	•	• 141	• 112
RHODE ISLAND			•	•	•	•	•	•	•	•	•	•	•	•	• 59
SOUTH CAROLINA	• 68	• 68, 120	• 68	• 121	• 121	•	•	•	•	•	•			•	•
SOUTH DAKOTA	• 25	• 25	•	•	•	•	•	•	•	• 25	• 25			• 25	• 25
TENNESSEE	•	• 71	•	• 31	• 70	•	•	•	• 3	• 97	• 15			• 70	•
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		• 101	• 102	• 100	• 123	• 124	• 125	• 103	• 104			• 105	• 106
WISCONSIN	• 62	• 75		•	•	•	•	•	•	•	•			•	•
WYOMING	• 25	• 25		•	•	•	•	•	•	•	•			•	•
<b>STATE TOTALS</b>	<b>41</b>	<b>39</b>	<b>30</b>	<b>42</b>	<b>46</b>	<b>49</b>	<b>49</b>	<b>49</b>	<b>50</b>	<b>46</b>	<b>46</b>	<b>8</b>	<b>12</b>	<b>42</b>	<b>41</b>
PUERTO RICO	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•

## CHART 2: Footnotes

- 1 Carried out through local development corporations.
- 2 Sales and use tax exemption for capital improvements.
- 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 Exemption for materials, such as chemicals and catalysts, used to induce or cause a refining or chemical process.
- 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 The Quality Jobs program offers a cash rebate of up to six percent of eligible payroll. The Enterprise Zone program provides a new job tax credit of \$2,500 per employee (\$5,000 for employees in the aircraft or auto-parts manufacturing industries).
- 14 A gross production tax on textile mills in lieu of property tax.
- 15 1% purchase price of qualified industrial machinery offsets up to 50% of the total franchise and excise tax liability; unused credit carry's forward up to 15 years.
- 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 Labor services on new construction, manufacturing equipment, component parts and raw materials consumed in production are exempt from sales tax by state law. Taxable items for construction, build-out, remodel, furnishings and non-manufacturing equipment, may be exempt from sales tax if qualified. Additionally building materials and permanently installed equipment financed with industrial revenue bonds would be eligible for a sales tax exemption also.
- 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 full-time jobs within "Strategic Investment Areas" of the state.
- 21a Illinois offers a utility tax exemption in enterprise zones if certain job creation criteria are met.
- 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 Arizona's Military Reuse Zone program provides an exemption to prime contracting transaction privilege taxes as well as tax reductions through property reclassification for companies locating or expanding in the designated area.
- 31 In Maryland, exemption may be applicable at the county or local level. In Tennessee, exemption may be applicable at the local level. In Virginia, localities have the option of totally or partially exempting pollution control, recycling, solar energy and energy con-version equipment, facilities, manufacturers generating and co-generating equipment, environmental restoration sites, and rehabilitated commercial/industrial real estate for up to 15 years. 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
  - Zero percent corporate income tax rate for Qualified New York Manufacturers.
  - START-UP NY initiative to create tax-free communities for new and expanding businesses on SUNY and other university campuses across New York State. Businesses locating in these zones can operate tax-free for 10 years:
    - No income tax;
    - No business or corporate state or local taxes;
    - No sales tax;
    - No property tax;
    - No franchise fees.
  - The Excelsior Jobs Program, administered by Empire State Development (ESD), provides job creation and investment incentives to firms in targeted industries (e.g., biotechnology, pharmaceutical, high-tech, clean-technology, green technology, financial services, agriculture and manufacturing). Firms in these strategic industries that create and maintain new jobs or make significant financial investment may be eligible to apply for up to four new refundable tax credits:
    - The Excelsior Jobs Tax Credit: A credit equal to 6.85% of the gross wages paid per new job to cover a portion of the associated payroll cost.
    - The Excelsior Investment Tax Credit: Valued at two percent of qualified investments.
    - The Excelsior Research and Development Tax Credit: A credit equal to 50% of the Federal Research and Development credit, capped at 3% of research and development expenditures.
    - The Excelsior Real Property Tax Credit: Available to firms locating in certain distressed areas and to firms in targeted industries that meet higher employment and

- investment thresholds (Regionally Significant Project).
- Credits are available for up to 10 years.
  - Investment Tax Credit: 5% of first \$350 million (4% of amounts over \$350 million or for personal income taxpayers) invested in 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 following the year of investment.
- 47
- R&D ITC – Investment in qualified research and development property is eligible for a 9% credit against the corporate franchise tax (7% against the personal income tax). This credit is taken in lieu of the ITC.
  - Sales Tax Exemption – Machinery/equipment and fuels/utilities used directly in research and development are exempt from sales tax.
  - Qualified Emerging Technology Employment Credit – A credit of \$1,000 per new full-time employee (employees in excess of 100% of base year employment level), available for one 3-year period (the year the credit is first claimed and in each of the next two years provided minimum employment levels are maintained). Unused credits are refundable.
  - Qualified Emerging Technology Company Capital Tax Credit – A taxpayer is allowed a credit equal to 10% (for investment held for 4-years) or 20% (for investments held for 9-years) of each qualified investment in a qualified emerging technology company and certified by the Commissioner of Taxation and Finance .
  - New York State Business Incubator and Innovation Hot Spot Support Act supports the growth of companies in the early stages of development by providing reduced taxes and other tax advantages to companies locating at such designated facilities.
- 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 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. \$500 to \$15,000 per job, per year tax credits available for new jobs, subject to job creation and capex minimums.
- 57 In Florida there is an exemption from the sales and use tax for manufacturing machinery and equipment for new businesses. However, all manufacturing machinery and equipment purchases for the silicon technology, defense and space industries 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.
- 61 Georgia offers tax credits to qualifying businesses for job creation, R&D, retraining, investment, and production of film, television and interactive entertainment. Subject to program rules, tax credits may be used against corporate income tax liability.
- 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 Incentive is a rebate for job creation and/or investment.
- 70 No sales or use tax on the purchase or repair of qualified industrial machinery for manufacturers and equipment used primarily for R&D.
- 71 Tennessee does not have an income tax on wages; have an income tax on dividends and interest.
- 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 Arizona offers certain exemptions to the statewide Transaction Privilege Tax (TPT) for specific industries, such as: data center/processing facilities, manufacturing (utilities; machinery & equipment used directly in manufacturing).
- 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 If a pass through entity (a partnership, S corporation, or LLC) qualifies for and claims a Georgia income tax credit, and the credit passes through to the individual (an individual shareholder, an individual partner, or an individual member) that individual can use the credit against their income tax liability.
- 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.
- 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 50 jobs in a 12-month period. Tax credits of \$1,000 per job are available for each job created over the initial 50. In economically distressed areas and enterprise zones, the required threshold is lowered to 25 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 \$4,500 per position; offsets up to 50% of franchise and excise tax; unused credit carry's forward for 15 years; must create 25 net new fulltime positions, make \$500,000 capital investment and be a qualified business within a 36 month period
- 98 No exemption – However WV has 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 60% of annual tax liability. An alternative 20% capital investment tax credit, tied to a minimum employment increase of 20 FTE employees, is pro-rated for use over a 10-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 No exemption – However WV has a 20% capital investment tax credit, tied to a minimum employment increase of 20 FTE employees, is pro-rated for use over a 10-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 Finished manufactured goods and goods in transit held in WV for delivery outside of the State are exempt from the property tax.
- 101 No exemption – However WV has a special valuation provision whereby 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. Land is excluded from the special valuation provision.
- 102 No exemption or moratorium – But certain special valuation provisions apply.
- Five For Ten Program – the 5 for 10 program was expanded somewhat in recent legislative sessions.
- For capital additions certified on or after July 1, 2011, the value of the land before any improvements is subtracted from the value of the capital addition, and the unimproved land value is not given salvage value treatment.
- For facilities classified with NAICS code 211112 (natural gas fractionating), and for manufacturing facilities that use product produced at a facility with code number 211112, the 5% valuation is available for investments greater than \$10M in a facility having \$20M or more of preexisting investment in place prior to the new investment.
- The 5% valuation is available for investments in certain property having a combined original cost that exceeds \$2 billion, relating, as specified, to facilities classified with NAICS code 211112.
- (1) Five For Ten Project property;
- (2) Air & Water Pollution Abatement Equipment;
- (3) Servers & tangible personal property directly used in a high-technology business or in an internet advertising business.
- (1) through (3) receive special property tax valuation at 5% of cost instead of fair market value:  
 $((5\% \times \text{Cost of the Property}) \times 60\%) \times \text{Rate} = \text{Tax}$
- (4) Molds, jigs, dies, forms, patterns & templates directly used in manufacturing and;
- (5) Aircraft owned or leased by commercial airlines or private carriers.
- (4) and (5) receive special property tax valuation at the lower of fair market value or (5% of cost) = the value on which property tax is calculated:  
 $(\text{Lower of } ((\text{FMV}) \text{ or } (5\% \times \text{Cost of the Property}))) \times 60\% \times \text{Rate} = \text{Tax}$
- 103 A 20% capital investment tax credit, tied to a minimum employment increase of 20 FTE employees, is pro-rated for use over a 10-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 (i.e., both income tax and business franchise tax) attributable to the qualified investment.
- 104 A tax credit equal to 5% of qualified capital investment
- in depreciable capital assets and land is pro-rated for use over a 10-year period to offset up to 60% of annual tax liability for corporation net income tax and business franchise tax.
- 105 There is a sales and use tax exemption for purchases of tangible personal property directly used in research and development. Also, WV has 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 3-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.
- 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 can be expensed for corporate net income tax purposes in the year such property is placed into service in West Virginia.
- 107 Quality Jobs and Enterprise Zone programs allow sales tax rebate or a 1.5% Refundable Investment Tax Credit on non-MME equipment that is subject to sales tax.
- 108 Louisiana has Tax Equalization Program to make its taxes as low as any competing state.
- 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.
- 115 Georgia helps companies lower their cost of doing business by offering a sales and use tax exemption on the purchase of various types of goods and services.
- 116 North Carolina collects no state level property taxes; property tax grants are available from local governments.
- 117 Industrial machinery and equipment are exempt from sales and use tax but are subject to a privilege tax.
- 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, return all or a portion of property tax obligation.
- 120 Unless specifically prohibited, an S corporation, LLC taxed as a partnership or a partnership that qualifies for a credit, may pass through the credit earned to each shareholder, member or partner, as applicable.
- 121 South Carolina does not have state property taxes.
- Corporations locating new manufacturing or R&D facilities or making additions costing \$50,000 or more or corporations locating new or expanding existing corporate office, HQ or distribution facilities costing \$50,000 or more and creating 75 or more full-time jobs receive a five year exemption from county property taxes.
- 122 New Hampshire offers up to \$200,000 tax credit based on job creation and capital investment.
- 123 The Freeport exemption applies to exempt finished manufactured goods destined for delivery outside of WV from the property tax. For non-Freeport inventories, there is no property tax exemption. However WV has a tax credit against the corporation net income tax and business franchise tax in the amount of property tax paid on raw materials and other manufacturing inventories in WV.
- 124 Purchases of tangible personal property directly used in manufacturing are exempt from the sales and use tax.
- 125 Goods and tangible personal property directly used in manufacturing are exempt from the sales and use tax. Also, there is a tax credit against the corporate net income tax and business franchise tax in the amount of property tax paid on raw materials, goods in process and other manufacturing inventories in WV.
- 127 There is no state inventory tax.
- 129 Industrial machinery and equipment are exempt from sales and use tax but are subject to a privilege tax.
- 130 Manufacturers' raw materials are excluded from taxation.
- 132 Article 3F Tax Credits for Research and Development
- 133 Accelerated depreciation schedules for high-tech equipment.
- 134 Commercial and industrial machinery and equipment acquired by qualified purchase or lease or transferred into the state is exempt from state and local property tax by state law. The exemption pertains to machinery and equipment used in the expansion of an existing facility or the establishment of a new facility. The exemption covers machinery and equipment used in manufacturing or warehousing/distribution, commercial equipment, computers, desks and chairs, copiers and fax machines.
- 135 Use of Kentucky Coal.
- 136 Cities may exempt manufacturing from property tax for up to 5 years.
- 137 Limited to manufacturing equipment.
- 138 Kentucky offers tax credits not tax exemption.
- 139 Sales/use tax exemption, Ad Valorem tax exemption in Louisiana.
- 140 Exemption applicable to manufacturers and other select industries as approved by LED.
- 141 Research & Development Tax Credit (R&D) – \$55 million available annually, allows companies holding qualifying credits to apply for approval to sell those tax credits and assign them to the buyer(s). Unused credits may be carried over for up to 15 succeeding taxable years.
- 142 Job Development Investment Grant (JDIG) provides reimbursement of withholdings to qualifying grant recipients
- \* Kansas phased out its franchise tax entirely in 2011. Kansas passed new income tax reform in 2013 which offers no income tax on non-wage income for LLCs, LLPs, Sub Chapter S Corporations, Partnerships and Sole Proprietorships.