

## Business Incentives to Help You Locate Your Next Expansion in Ohio

Further information can be found at  
<http://www.development.ohio.gov/EconomicDevelopment.htm>

### Finding & Getting Your Site Ready for Business – Site Development Assistance

**Site Selection Assistance:** Using OhioSites.com and a network of local economic development organizations, assistance is available to help identify industrial site and building opportunities for new business investment projects. Information on available properties is maintained by a partnership between state and local economic developers, and is available 24-7 online at [www.OhioSites.com](http://www.OhioSites.com).

**Expedited Permitting Assistance:** Collaborative efforts led by the Ohio Department of Development and involving the Ohio Environmental Protection Agency, Ohio Department of Commerce, Ohio Department of Transportation, and Public Utilities Commission of Ohio, will assure that all necessary industrial, building, environmental, and related permits are processed in a timely, business-friendly manner. Where possible, ombudsman services can be offered to further streamline any multi-agency permitting processes.

**Roadwork Development (629) Account:** These grant funds are available for public roadway improvements, including engineering and design costs. This fund is available for projects primarily involving manufacturing, R&D, high technology, corporate headquarters, and distribution activity. Projects must typically create or retain jobs. Grants are usually provided to the local jurisdiction and require local participation.

**Ohio Rail Development Commission:** Loan and grant funds are available for public or private rail improvements, including engineering and design work. The amount and type of funding available for a project will depend on job creation and rail traffic volume generated by the project.

**Ohio Water Development Authority – Local Economic Development Fund:** Low-interest financing is available to communities for public water and sanitary sewer improvements. Loans are made directly to local communities on favorable interest rates and terms.

**Community Development Block Grant:** Federal grant funds are available through the state to assist with public road, water, and sanitary sewer improvements specifically benefiting economic development projects. Job creation must be involved, and companies must commit to hiring at least 51 percent of employees from low- to moderate-income populations in the county where the project is located.

### Building Your Facility & Buying Your Equipment – Low-Interest Loans and Grants

**Rapid Outreach Grant:** These grant funds are for on- or off- site infrastructure improvements, including water, sewer, road and rail improvements. This fund is for companies primarily engaged in manufacturing, R&D, high technology, corporate headquarters, and distribution. Given the demand for limited grant funds, qualified projects must involve substantial job creation or retention, and all other public and private sources of financing must be considered before the availability of Rapid Outreach funding is determined.

**166 Direct Loan:** Direct loan financing is available to help finance manufacturing and other eligible facilities, with eligible uses for funding including new building construction, building acquisition, and acquisition of machinery and equipment. Amounts of financing are usually set at 30 percent of the project cost to a maximum of \$1 million, subject to an increase by the Director of Development, with a minimum loan amount of \$350,000. The rate is fixed (currently at 3 percent), with terms similar to those of commercial bank financing. Eligible projects must involve significant job creation or retention.

**Ohio Enterprise Bond Fund:** Revenue bond financing is available through this S&P AA- (double A-minus) rated fund, whereby proceeds from the sale of bonds is loaned to companies for fixed rate, long-term capital asset financing. Rates are fixed depend on the type of bond issued, while terms are between 7 to 10 years for equipment and 15 to 20 years for real estate. Up to \$10 million in financing is available through this program.

**Research & Development Investment Loan Fund:** Direct loan financing of between \$1 million and \$25 million is available for projects primarily engaging in research and development activity. Rates are fixed (currently at 3 percent), with terms similar to those of commercial bank financing. Companies receive a dollar-for-dollar, non-refundable Ohio commercial activity tax credit for all principal and interest payments during the year.

## **Finding & Training Your Employees – Workforce Development Funding**

**Pre-Employment Recruitment, Testing, and Screening Services:** The Ohio Department of Job and Family Services can provide a variety of skills testing and employee recruitment services in partnership with local One-Stop centers serving every area of the state. These services are typically available to companies at no cost, while the company still maintains control over the final employee screening and hiring processes. Cost savings to employers can be up to \$1,000 for each employee recruited and hired.

**New and Incumbent Employee Training Grants:** Training funds are available primarily for industrial and eligible administrative or office operations that are creating or retaining jobs. The Ohio Investment in Training Program can assist with up to 50 percent (and up to 75 percent in eligible areas) of training costs, including management techniques, instructor fees, “train-the-trainer,” eligible travel costs, and other related training needs, while federal Workforce Investment Act funds managed by local One-Stop centers can assist with training expenses for existing employees and certain new hires.

**Bureau of Worker’s Compensation Premium Discounts:** Through a variety of employer-led safety initiatives, companies in Ohio can further reduce their annual worker’s compensation premiums. Discount programs include the Drug-Free Workplace and Safety Council.

## **Lower Your Ongoing Business Costs – State and Local Tax Incentives**

**Job Creation Tax Credit (JCTC):** The Job Creation Tax Credit is a refundable tax credit to companies creating at least 25 new full-time jobs (within 3 years) in Ohio. The credit may also be available for certain high-wage industries creating 10 or more new full-time jobs within 3 years. The refundable tax credit is measured as a percentage of the state income tax withholdings for all new employees hired under the program, and is applied toward the company’s commercial activity tax liability. Should the amount of the credit exceed the company’s CAT liability for any given year, the difference is refunded. Approved projects generally range between a 25 and 55 percent credit for a period of 5 to 7 years. The business must apply for the credit before committing to the project.

**Job Retention Tax Credit (JRTC):** The Job Retention Tax Credit is a non-refundable tax credit to companies retaining at least 1,000 full-time jobs in Ohio. Companies must also commit to new fixed-asset investment of either \$100 million, if the average wages of the retained jobs exceeds 400 percent of the federal minimum wage (equal to \$20.60 per hour), or \$200 million, if the average wages of the retained jobs does not exceed 400 percent of the federal minimum wage. The credit is measured as a percentage of the state income tax withholdings for all employees retained under the program. Approved projects generally range up to 75 percent for 10 years. The business must apply for the credit before committing to the project.

**Research and Development Investment Tax Credit:** The R&D Investment Tax Credit is a non-refundable Ohio commercial activity tax credit for all investment in qualified research expenses incurred in Ohio by eligible “C” corporations. Qualified research expenses are based on Section 41 definitions in the U.S. Internal Revenue Code and include expenses for both in-house and contract research expenses. The amount of the credit is based on 7 percent of the amount of all qualified investment in a specific year. The credit can be carried forward for up to seven years.

**Local Property Tax Exemptions:** Local communities in Ohio are authorized to collect local property taxes on real property (land and buildings) and tangible personal property (machinery and equipment, furniture and fixtures, and inventory). Through the Ohio Enterprise Zone and Community Reinvestment Area programs, local communities can elect to abate a portion of property taxes owed by a company. Typical abatements under the Ohio Enterprise Zone are 50 to 75 percent of taxes exempted for 10 to 15 years, on real or tangible personal property. Under the Community Reinvestment Area program, real property taxes can be abated up 100 percent for 15 years. Note that tangible personal property taxes in Ohio are being phased out through 2009.

**Sales and Inventory Tax Exemptions:** State and local sales taxes are exempted on certain types of purchases, including machinery and equipment used in the manufacturing process; material handling equipment used in the warehousing of inventory that is primarily (51 percent or greater) distributed to retail operations associated with the warehouse operator; and equipment used for research and development purposes.