



RESOURCES FOR ECONOMIC DEVELOPMENT

Ohio Job Creation Tax: Provides corporate franchise or state credit, for businesses that expand or relocate in Ohio. The Ohio Tax Credit Authority determines eligibility and terms.

Business must demonstrate to the Authority that the tax credit is a major factor in its decision to go forward with the project. Eligibility requirements include businesses that create at least 25 net new full time positions, at a facility in Ohio, and pay a minimum of 150%, of federal minimum wage. For more information, contact the Office of Tax Incentives at (614)-466-2317 or (800) 848-1300.

Ohio Job Retention Tax Credit: Provides corporate franchise, or state income tax credit for businesses that commit to retain, a significant number of full-time jobs. The Ohio Tax Credit Authority, determines eligibility and terms. Credits are awarded to companies that can demonstrate the tax credit is a major factor, in its decision to retain jobs in Ohio. Eligibility requirements include, businesses those currently employ at least 1,000 full-time employees and, make a fixed investment of at least \$200 million.

For more information, contact the Office of Tax Incentives at (614) 466-2317 or (800) 848-1300.

Training Tax Credit: Provides tax credits for employers that train existing employees, who are at

Risk, of losing their jobs primarily due to, skill deficiencies. Twenty million dollars in credits are available annually, with no single business receiving no more than \$100,000 per year. Businesses must conduct an eligible training program to correct identified skill deficiencies in its existing workforce. For more information, contact the Department of Jobs and Family Services at (614) 644-7104.

Ohio Manufacturing Machinery and Equipment Investment Tax Credit: Provides a nonrefundable corporate franchise or, state income tax credit, for manufacturers located in Ohio that purchase qualified new or retooled machinery and, equipment that is used in manufacturing. The manufacturer receives a 7.5% tax credit on excess investment, credit of 13.5% is available in “priority investment areas”. For more information, contact the Office of Tax Incentives at (614) 466-2317 or (800) 848-1300.

Research and Development Sales Tax Exemption: Provides entire exemption from the usual State and county sales tax, for companies that purchase equipment for research and development activities. Includes research and development activity, in both direct and pure research. Direct research refers to research conducted to design, create, or formulate new or better products, equipment or processes. Pure research refers to scientific or technological inquiry and experimentation in the physical sciences. For more information contact the Office of Tax incentives at (614) 466-2317 or (800) 848-1300.

Manufacturing Machinery and Equipment Sales Tax Exemption: Provides entire exemption from state and, county sales tax for companies that purchase machinery, and equipment for manufacturing activities. Includes machinery, equipment, supplies, and fuel used primarily in manufacturing operations, to produce tangible, personal property for sales. For more information, contact the office of Tax Incentives at (614) 466-2317 or (800) 848-1300.

Warehouse Machinery and Equipment Sales Tax Exemption: Provides state and county sales tax, for companies that purchase, eligible warehousing equipment. Includes machinery used primarily in storing, transporting, mailing or, handling inventory, in a warehouse distribution center or, similar facility. For more Information, contact the Office of Tax Incentives at (614) 466-2317 or (800) 848-1300.

Enterprise Zones: Provides real and property tax incentives, for businesses that expand, or locate in Ohio. Up to 75% exemption in incorporated areas, and up to 60% exemption in unincorporated areas, on real property improvements or, tangible personal property tax valuation, for up to ten years. Local school board approval is required to exceed these limits. Businesses must finalize agreement to retain, or create employment; establish, expand, or renovate a facility in an Enterprise Zone; and invest in a new, real and/or personal property prior to project initiation. For more information, contact the Office of Tax Incentives at (614) 466-2317 or (800) 848-1300.

Community Reinvestment Area: Areas of land in which property owners can receive tax incentives for investing in real property improvements. Real property investment incentives are available for residential, commercial, and/or industrial projects involving renovation or new construction. Up to 100% exemption of the improved real property tax valuation can be granted for up to fifteen years, depending on the project. Local Legislative authority establishes project eligibility rates, and terms. Commercial and industrial projects must Have an agreement in place prior to investment. For more information, contact the Office of Tax Incentives at (614) 466-2317 or (800) 848-1300.

Tax Increment Financing: An economic development tool used to assist renewal, and urban redevelopment projects. TIF is a state authorized mechanism that allows for exemption from real property taxation, on a portion of the value of improvements resulting from new development. The state of Ohio permits the exemption of 75% of the value of improvements, for a period up to ten years. Exceptions up to 100% for up to thirty years, can be made with approval of the local school board. Instead of paying real property taxes on the improvements, a business agrees to make service payments in lieu of taxes (PILOT) for the same amount of money owed on improvements.

Foreign Trade Zone (FTZ): A program created by the federal government, which has existed since the 1930's. Its purpose is to facilitate trade, and increase the global competitiveness of U.S. based companies. Within a FTZ area, certain types of merchandise can be imported, without going through formal Customs entry procedures or, paying import duties. FTZ advantaged include the following: lower inventory cost, eliminating, deferring, or reducing, U.S. Customs duties, insurance savings, and electing preferential duty rates. FTZ #181 has been established in Northeast Ohio and is currently being expanded to encompass over 6,000 acres at 17 sites. For more information, contact Ron DeBarr at (330) 672-4080 or go to www.neotec.org.

Ohio Enterprise Bond Fund: Provides funding at a long term fixed rate, for land and building acquisition, construction, expansion, or renovation, and, equipment purchases for commercial or industrial projects, between, \$1.5 million and \$10 million in size. For more information, contact the office of Business Development at (614) 466-4551 or (800)-848-1300.

166 Direct Loan: A statewide program that provides manufacturers with assistance with land and building acquisition, expansion, or renovation, and equipment purchase. Amount of funding can range from \$350,000 to \$1 million. For more information, contact the Office of Business Development at (614) 466-4551 or (800) 848-1300.

166 Regional Loan: Provide loans for land and building acquisition, expansion, or renovation, and equipment purchase. The maximum amount is \$350,000 at a low rate. Twelve local economic development agencies administer this program. For more information, contact the Office of Business Development at (614) 466-4551 or (800) 848-1300

Capital Access Program: Encourages lending by establishing a unique loan "guarantee" reserve pool at the lending institution. The State, the lender, and the borrower each make a small contribution into the pool. The reserve pool is available to the lender for recovery of any losses that may have for any loan that is enrolled in the Capital Access Program. This allows lenders to fund businesses that they may have otherwise denied. The borrower must be a small business with annual sales of less than \$10 million and have its principal place of business in Ohio. For more information, call the Office of Minority Business Financial Incentives at (614) 644-7708 or (800) 848-1300.

The Urban and Rural Initiative: Provides grant assistance to municipalities, and non-profit economic development organizations, in distressed areas for land acquisition, infrastructure improvements, building renovation, and voluntary site remediation projects. The project must result in economic reuse or the creation of an industrial park. A twenty-five percent local match is required. For more information, contact the Office of Business Development at (614)-466-4551 or (800) 848-1300.

The Ohio Investment Training Program (OITP): The OITP provides financial assistance and technical resources for customized training involving employees of new and expanding Ohio businesses. OITP provides up to fifty percent reimbursement to fund instructional costs, materials, and training-related activities. There is an emphasis on manufacturing and selected employment sectors that have significant training and capital investment related to creating and retaining jobs. For more information, contact the Office of Investment in Training at (614) 466-4155 or (800) 848-1300.

Joint Economic Development District (JEDD): A township area designated by municipal-township contract for economic development through the provision of specified services, such as water and sewer. JEDDs provide a means for townships to retain their sovereignty and for cities to provide central water and sanitary sewer services to unincorporated areas without the need for municipal annexation. Townships provide land for business development and retain their property tax base, and cities receive revenue from utility user charges and income tax from businesses and persons and employed in the JEDD. The routine operation of the JEDD is governed by a joint city-township Board of Directors. In order for JEDDs to be enacted, a majority vote from both jurisdictions is required.

Northeast Ohio Trade & Economic Consortium (NEOTEC): Located at Kent State University, NEOTEC serves as an economic development partnership, among seven neighboring counties. The organization specializes in reducing the cost of transportation for business, by administering Foreign Trade Zone 181, and the Northeast Ohio Logistics Network. The latter is a network that unites regional logistics, and management professionals, to provide one voice in impacting flow of goods, people, and information in and out of Northeast Ohio. The value of membership includes access to reduced shipping rates, ability to impact legislative issues, and networking opportunities. For more information, contact Ron Debarr at (330) 672-4080 or go to www.neotec.org.



