



West Chester Township Tax Incentive Overview

Enterprise Zone Program

The Ohio Enterprise Zone Program allows communities to exempt a percentage of the real estate taxes due on a Project's new real estate value over a specific term. Exemptions are based on factors such as real property investment, job creation and wages. The West Chester Township Community Development Department reviews the project parameters to determine if a project would merit receiving an enterprise zone tax abatement. Each project is analyzed on a case-by-case basis.

No Corporate Income Tax/No Employee Income Tax

In addition to any financial incentive that may be granted, companies will also benefit from a substantial tax incentive already in place. Because West Chester is a township, it does not assess an earnings tax on the income of corporations or its employees, which can be a significant and automatic cost savings to a company seeking to operate in West Chester compared to surrounding municipalities.

No Personal Property Tax

The State of Ohio does not tax personal property.

Butler County

The Butler County Department of Development administers the Revolving Loan Fund, which is designed to provide low interest loans to new or expanding businesses in Butler County. These funds are typically available for fixed assets, but may be considered for working capital on a case-by-case basis. The amount of the loan varies based on the project job creation and retention.

State of Ohio Incentives

Job Creation Tax Credit (JCTC): A refundable tax credit to companies creating at least 10 new jobs (within three years) and at least \$660,000 additional payroll in Ohio. The 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 commercial activity tax liability for any given year, the difference is refunded. Approved projects generally range between a 25 and 55 percent credit for a period of five to seven years. A 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 500 full-time jobs in Ohio. Companies must also commit to a fixed-asset investment of \$50 million for most projects. The credit is measured as a percentage of the state income tax withholdings for all employees retained under the program. The tax credit rates for

approved projects can be up to 75 percent for 15 years. A 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 tax credit up to 7 percent for qualified research and development expenses. Qualifying expenses fit into two categories: in-house research expenses and contracted research expenses. Any unused portion of a tax credit may be carried forward for up to seven years.

Research & Development Investment Loan Fund: Provides loan financing of between \$1 million and \$5 million for projects primarily engaging in research and development activity. Rates are fixed (at or below market rates) 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.

Rapid Outreach Grant: Funds are used for the acquisition of machinery and equipment, new building construction, building acquisition, on- or off-site infrastructure improvements and other fixed asset investments, manufacturing, research and development, high technology, corporate headquarters, and distribution. Given the demand for limited grant funds, qualified projects must involve substantial job creation or retention.

Roadwork Development (629) Account: Available for public roadway improvements, including engineering and design costs. Funds are available for projects primarily involving manufacturing, research and development, 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 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.

Innovation Ohio Loan Fund: Provides loans for acquisition, construction, and related costs of technology, facilities, and equipment purchase. The fund was created to assist existing Ohio companies in developing next-generation products and services within Targeted Industry Sectors. Ohio Advanced Energy Fund: Administered by the Ohio Energy Office, connects companies and communities with financial and technical resources to deploy energy efficiency and renewable energy technologies, and to support advanced energy economic development.

Ohio Enterprise Bond Fund: Provides revenue bond financing through an S&P rated fund (currently AA-, “double A-minus”), whereby proceeds from the sale of bonds is loaned to companies for fixed-rate, long-term capital asset financing. Rates are fixed prior to funding, depending on the type of bond issued, with terms between seven to 10 years for equipment and 15 to 20 years for real estate. Up to \$10 million in financing is available through the Program. Ohio Job Ready Sites Program: Created to bolster our state’s inventory of available facility locations served by utility and transportation infrastructure. Sites improved under the program are kept ready for future business prospects seeking locations for new or expanded operations. The State of Ohio has awarded \$108.5 million in the first two funding rounds during Fiscal Year 2009. The grants may be used to offset costs traditionally incurred in industrial and commercial site development, from acquisition of real property to utility upgrades to construction build-out of speculative facilities.

Rural Industrial Park Loan: Provides direct loans to rural, distressed local communities, and applicants committed to creating well-planned industrial parks.

State Energy Plan: Administered by the Ohio Energy Office, conducts special projects to promote awareness, develop capacity, deploy projects, and provide technical assistance, training, and outreach for renewable energy technologies, alternative fuels infrastructure, energy efficient buildings, fuel cells, and industrial process efficiency.

Urban Redevelopment Loan: Provides low-interest loans to municipalities or designated nonprofit economic development organizations to acquire real estate for assembly into developable parcels and remediate any brownfield contamination site to entice private business investment in distressed urban locations.

Volume Cap: Provides a federal tax benefit by allowing eligible issuers to issue tax exempt Private Activity Bonds up to a state limit known as the “Volume Cap.” The State of Ohio’s allocation of Volume Cap is determined annually by the Internal Revenue Service on a per capita basis for projects consisting of multi-family housing, single-family housing, exempt facilities, manufacturing, and student loan bonds.

Workforce Development Funding Workforce Guarantee Program: Supports companies that are making investments in facilities, equipment, and training that result in the retention and creation of jobs for Ohioans. The Program is one of the few in Ohio that provides direct financial support to employers for training, paying for a portion of instructor salaries, materials, travel, and special needs. Ohio Workforce Guarantee Regional Coordinators are located at the Department’s Regional Economic Development Offices located around the state and are ready to provide free assistance in preparing an application.

Community Reinvestment Areas: Provide companies locating in a designated Community Reinvestment Area an abatement of up to 100 percent for 15 years on real property taxes. To be eligible, a company must be making new real property investment and formalizing an agreement with the local community prior to going forward with the qualifying project.