



# Idaho Incentives at a Glance

Idaho's vibrant population, pro-business culture, unmatched quality of life and conservative approach to governing — both from a regulatory and budget standpoint — create an environment for businesses and employees to thrive.

Recently, Idaho lowered corporate and top personal income tax rates to 5.3%, making Idaho even more competitive for both existing businesses and attracting new businesses to the state.

## ALL BUSINESSES ARE ELIGIBLE FOR:

- 3% investment tax credit on all new tangible personal property (machinery and equipment).
- Personal property tax exemption on the first \$250,000 of personal property, such as equipment and furnishings.
- 5% tax credit on qualified research expenses.
- Idaho's electricity companies offer energy conservation rebates through efficient energy use up to \$100,000 per year, per site. For more information contact your local provider.

## IDAHO BUSINESS ADVANTAGE

Businesses that invest at least \$500,000 in new facilities and create at least 10 new jobs paying \$40,000 annually plus benefits, with additional jobs paying an average of \$15.50 per hour during project period, may qualify for:

- An enhanced investment tax credit on tangible personal property of 3.75%.
- A new jobs tax credit from \$1,500-\$3,000 for new jobs paying \$24.04 per hour or more.
- A 2.5% investment tax credit on real property.
- A 25% rebate on sales tax paid during the project period.
- Upon request of the business, the local county commissioners may also authorize a partial or full property tax exemption for up to 5 years.

## TAX REIMBURSEMENT INCENTIVE (TRI)

If your business is adding or bringing high-paying jobs to Idaho, you may be eligible for the Idaho Tax Reimbursement Incentive.

To qualify, a company must create 20 new jobs in rural communities (population of 25,000 or less) or 50 in urban areas. These jobs must be at or above the average county wage.

This post-performance incentive awards a maximum credit of 30% on income, payroll withholdings and sales taxes for up to 15 years.



For information on doing business in Idaho, contact us  
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## 100% SALES TAX EXEMPTION

**Production Sales Tax Exemption** - Tax exemption on equipment and raw materials used directly in manufacturing, processing, mining, fabrication or logging operations; for clean rooms and semiconductor equipment manufacturing; and for equipment or material used in research activities. Processing materials, substances, or commodities for use as fuel for the production of energy are also exempt.

**Utility and Industrial Fuels Sales Tax Exemption** - Tax exemption on utilities and industrial fuels such as power, water, natural gas and telephone.

## IDAHO SEMICONDUCTORS FOR AMERICA ACT

The Idaho Semiconductors for America Act, provides qualifying Idaho semiconductor companies with a sales and use tax exemption on the purchase of qualifying construction and building materials. To be eligible, companies must qualify for the U.S. CHIPS and Science Act of 2022.

## DATA CENTER SALES TAX EXEMPTION

New data centers choosing to locate in Idaho will be eligible for sales tax exemption on server equipment as well as construction materials used in the construction of the data center facility.

## WORKFORCE DEVELOPMENT TRAINING FUND PROGRAMS

The Idaho Workforce Development Council awards grants to reimburse approved training costs to eligible applicants creating jobs in Idaho. Learn more at [wdc.idaho.gov](http://wdc.idaho.gov).

## COLLEGE SAVINGS PROGRAM EMPLOYER TAX CREDIT

Employers are eligible to receive a 20% tax credit for contributions made to an employee's IDEal college savings account. The tax credit is capped at \$500 per employee, per taxable year.

## STEP GRANT EXPORT PROMOTIONS

The State Trade Expansion Program (STEP) Grant supports Idaho businesses looking to expand into international markets through exports. Companies can use funding for trade missions, foreign sales trips, international trade shows and many other activities.

## ECONOMIC DEVELOPMENT GRANTS

Idaho Commerce offers the Idaho Gem Grant, Community Development Block Grant (CDBG) and the Rural Community Investment Fund (RCIF) for qualifying cities, counties, and tribes to improve public infrastructure that will allow a business to expand and subsequently create new jobs.

## IDAHO BROADBAND GRANT PROGRAM

The Idaho Office of Broadband manages several grant programs to expand broadband access and connectivity across Idaho.

## CAP ON PROPERTY TAX

Businesses that invest a minimum of \$1 billion in capital improvements, in a county, may be eligible to receive a county property tax exemption on all property in excess of \$400 million in value per year.

## CAPITAL INVESTMENT PROPERTY TAX EXEMPTION

Businesses considering new, non-retail facilities may be eligible to receive a partial or full property tax exemption from local county commissioners. Please contact local county officials for more information regarding this property tax exemption.

## OPPORTUNITY FUND

The opportunity fund is a deal closing fund for qualifying projects.

## PRIVATE ACTIVITY BOND

Private activity bonds or PAB's are tax-free bonds to finance manufacturing, processing, production and assembly.

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