



# IDAHO INCENTIVES AT A GLANCE

## Financial Incentives and Tax Credits

IT'S NO WONDER IDAHO IS SUCH AN ATTRACTIVE PLACE TO DO BUSINESS. IDAHO OFFERS LOW OPERATING COSTS, PREDICTABLE TAX STRUCTURE AND A FISCALLY-RESPONSIBLE GOVERNMENT.

Businesses may be eligible for the following incentives:

### 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 the following:

- An enhanced investment tax credit of 3.75% up to \$750,000 or 62.5% of corporate income tax liability in any one year.
- A new jobs tax credit from \$1,500-\$3,000 for new jobs paying \$24.04 per hour or more.
- A 2.5% real property improvement corporate income tax credit up to \$125,000 in any one year along with a 25% rebate on sales tax paid on construction materials for the new facilities.

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.

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



## ALL BUSINESSES ARE ELIGIBLE FOR:

- 3% investment tax credit on all new tangible personal property (machinery and equipment) with a carryover of 14 years, or a two-year exemption from all taxes on personal property on the qualified investment (can offset up to 50% of income tax liability)
- Personal property tax exemption on the first \$100,000 of personal property, such as equipment and furnishings
- 5% tax credit on qualified research expenses
- Energy conservation rebates through efficient energy use up to \$100,000 per year per site

## **CAPITAL INVESTMENT PROPERTY TAX EXEMPTION**

Businesses considering new non-retail facilities may receive a partial or full property tax exemption for up to 5 years from local county commissioners. Required investments for property tax exemption range from \$500,000 to \$3 million depending on county.

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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.

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## **IDAHO OPPORTUNITY FUND**

A “deal closing fund” to strengthen Idaho’s competitive ability to support expansion of existing Idaho businesses and recruit new companies to the state, ultimately creating new jobs and economic growth in Idaho. Funds can be used for public infrastructure improvements to a new or existing facility. The fund is awarded at the discretion of the Director of Idaho Commerce.

## **INFRASTRUCTURE GRANTS**

**Community Development Block Grants** - Local cities with a population of 50,000 or less may receive up to \$500,000 in grants to help finance public infrastructure improvements that support business development.

**Rural Community Block Grants** - Local cities with a population of 25,000 or less may receive up to \$350,000 in grants to help finance public infrastructure improvements that support business development.

**Gem Grants** - Local cities with a population of 10,000 or less may receive up to \$50,000 in grants to help finance public infrastructure improvements that support business development. Communities must provide a minimum 20% funds match of either cash or in-kind donation.

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## **STEP GRANT EXPORT ASSISTANCE**

The State Trade Expansion Program (STEP) Grant supports Idaho businesses looking to expand into international markets through exports. Funding can help companies participate in Governor led trade or foreign trade/sales missions and international trade shows.

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## **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.

## **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.

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## **WORKFORCE DEVELOPMENT TRAINING FUND PROGRAMS**

The Idaho Workforce Development Council awards grants to reimburse approved training costs to eligible applicants bringing jobs to Idaho, adding jobs through expansion and/or retraining existing workers.

**Employer Grant:** Awarded to a company to reimburse workforce development training costs.

**Industry Sector Grants:** Granted to a consortium who identifies a training solution to alleviate industry specific skill gaps.

**Innovation Grants:** Designed to fund projects serving youth or adults and benefiting localized and/or rural efforts.

The council also strategically sponsors Outreach Projects that provide public information on career education and workforce training opportunities, including existing education and training programs and services not funded by the training fund.