

Appendix: Program Descriptions

Colorado - Job Growth Incentive Tax Credit

Enacted: 2009

Latest annual cost: \$20.5 million (value of projects approved in 2010)

Type: corporate income tax credit determined by state withholding taxes generated by new jobs

Promotes interstate piracy: in part (subsidizes relocations from out of state as well as in-state expansions)

Provisions: credits equal 50 percent of the withholding taxes linked to net job growth over five years

Job requirement: at least 20 net new full-time jobs during a five-year period (5 jobs in Enhanced Rural Enterprise Zones). Credits are not refundable but can be carried forward. Maximum credit value is determined by the state on a case-by-case basis, and any credits exceeding tax liability may be carried forward for a ten-year period.

Wage standard: must pay at least 110 percent of the county average wage

Online recipient disclosure: Yes

Historical cost figures:⁴⁶

2007	2008	2009	2010	2011	2012
N/A	N/A	\$4,041,960	\$20,496,120	No Data	No Data

Note: This amount reflects the amount approved.

Connecticut - Job Creation Tax Credit

Enacted: 2006

Latest annual cost: \$1.3 million (amount approved in 2010); 2012 program cap is \$20 million

Type: credit against several types of businesses taxes determined by the state withholding taxes generated by new employees

Promotes interstate piracy: Originally, only companies that moved to Connecticut from across a state line were eligible for these subsidies. P.A. 07-250 removed that requirement in 2007.

Companies are banned from getting subsidies shifting jobs around from within the state of Connecticut.

Provisions: credits equal 60 percent of the withholding taxes of new employees for up to five years (previously was 25 percent). Credit are not refundable and cannot be carried forward.

There is no defined maximum amount that a company may receive.

Job requirement: at least 10 full-time jobs (previously required out-of-state companies to create 50 jobs)

Wage standard: no

Online recipient disclosure: Yes

Note: This program is scheduled for termination. It sunsets in 2012 but will not stop costing the state revenue until 2015.

Historical cost figures:⁴⁷

2007	2008	2009	2010	2011	2012
\$508,711	\$1,479,739	\$3,227,640	\$1,322,525	No Data	No Data

Note: This amount reflects the amount approved for the years 2007-2010.

Georgia – Job Tax Credits (Various)

Enacted: 1994 (Job Tax Credit, with PIT add-on in 2001), 2003 (Mega Project Tax Credit, modified in 2009), and 2009 (Quality Jobs Tax Credit)

Latest annual cost: \$31 million (combined total for three programs in 2010)

Type: credits against withholding tax remittances

Promotes Interstate Piracy: yes, especially the Mega Credit

Provisions: Depending on the particular program, business location, and job type, these credits are worth between \$750 and \$5,250 per employee. The credits are first applied against annual corporate income tax liability. Any remaining value may be applied against the company’s employee withholding tax remittance the following year. Credits may be carried forward for 10 years, and in the case of the Job Tax Credit, credits used against withholding may not exceed \$3,500 per employee.

Job requirement: Depending on the program, companies must create between 5 jobs (Job Tax Credit) at the low end and 1,800 jobs (Mega Project Tax Credit) at the high end. Job creation requirements vary by county “tiers.”

Wage standard: Quality Jobs Tax Credit recipients must pay employees 110% of average county wage.

Online recipient disclosure: No

Historical cost figures:⁴⁸

2007	2008	2009	2010 ⁴⁹	2011*	2012*
No Data	No Data	No Data	\$31,000,000	\$30,000,000	\$30,000,000

*Cost figures for these years exclude the Mega Project Tax Credit, which is not included in the state tax expenditure report.

Georgia – Research and Development Tax Credit

Enacted: 1997, with PIT add-on in 2009

Latest annual cost: \$7 million (2012)

Type: Credits based on qualified expenditures made on research and development expenses.

The credits are valued at 10% of the increase in qualified R&D expenses over the previous years’. Credits are first applied against annual corporate income tax liability. Remaining value may be applied against the company’s employee withholding tax remittance the following year.

Promotes Interstate Piracy: not directly

Provisions: The tax credit may be carried forward 10 years but may not exceed 50 percent of the business’s net tax liability in any one year. New companies with credits valued greater than 50 percent of their income tax liability will be allowed their first five years to use this credit against payroll withholding. No maximum dollar amount.

Job requirement: None
 Wage standard: None
 Online recipient disclosure: No
 Historical cost figures:⁵⁰

2007	2008	2009	2010	2011	2012
No Data	No Data	No Data	\$7,000,000	\$7,000,000	\$7,000,000

Illinois - Economic Development for a Growing Economy (EDGE) Tax Credit

Enacted: 1999

Latest annual cost: \$34.8 million (amount awarded in 2010; no program cap)

Type: corporate tax credit determined by the amount of state withholding taxes generated by new employees

Promotes interstate piracy: yes; program is aimed at companies claiming to be considering a competing location in another state

Provisions: credit equals up to 100 percent of the additional withholding taxes for up to 10 years (amount negotiated on a case-by-case basis). Credits are not refundable but can be carried forward. There is no defined maximum amount that a company may receive.

Job requirement: at least 25 new full-time jobs for firms with more than 100 employees; 5 new jobs for others

Wage standard: No

Online recipient disclosure: Yes

Historical cost figures:⁵¹

2007	2008	2009	2010	2011	2012
\$24,862,000	\$23,534,000	\$25,567,000	\$34,766,000	No Data	No Data

Note: This amount reflects the amount actually disbursed.

Indiana - Economic Development for a Growing Economy (EDGE) Tax Credit

Enacted: 1994

Latest annual cost: \$89.4 million (amount approved in 2009)

Type: corporate tax credit determined by the amount of state withholding taxes generated by new employees

Promotes interstate piracy: yes; program is aimed at companies claiming to be considering a competing location in another state

Provisions: credit equals up to 100 percent of the additional withholding taxes for up to 10 years. Credits are refundable and can be carried forward. There is no defined maximum amount that a company may receive.

Job requirement: must create new jobs but a minimum number is not specified

Wage standard: For retention subsidies, total compensation including benefits must exceed the greater of: (1) 200% of the federal minimum wage; (2) 105% of average wages within that NAICS code for the county; or (3) 105% of the average wages within that NAICS code for the state.

Online recipient disclosure: Yes

Historical Cost Figures:⁵²

2007	2008	2009	2010	2011	2012
No Data	\$15,777,000	\$89,401,000	No Data	No Data	No Data

Note: These figures represent the amount approved.

Kansas: Promoting Employment Across Kansas (PEAK) Program

Enacted: 2009

Latest annual cost: \$4.8 million (program cap for FY2012)

Type: retention of state withholding taxes

Promotes interstate piracy: yes; It was originally designed to only be allowed on subsidy deals that dragged workers across state lines, but legislation broadened the scope of recipients to enable retention deals. As it stands now, companies relocation of jobs into Kansas from outside the state is just one of three ways to qualify for the subsidies. There is no defined maximum amount that a company may receive.

Provisions: companies can retain 95 percent of the withholding taxes associated with new jobs for up to 10 years

Job requirement: at least 5 jobs in non-metropolitan counties and at least 10 in metropolitan counties

Wage standard: aggregate wages must meet or exceed the county median wage or the NAICS average wage for the industry.

Online recipient disclosure: No

Historical cost figures:⁵³

2007	2008	2009	2010	2011	2012
N/A	N/A	N/A	No Data	No Data	\$4,800,000

Note: The 2012 figure represents the statutory program cap.

Kentucky - Kentucky Business Investment (KBI) Program

Enacted: 2009 as a consolidation of four existing programs—the Kentucky Rural Economic Development Act (1988); Kentucky Jobs Development Act (1992), Kentucky Industrial Development Act (1992) and the Kentucky Economic Opportunity Zone Act (2000)

Latest annual cost: \$49.4 million (combined wage assessments claimed in 2010 for KBI, KREDA, KIDA, KJDA, KEOZ)

Type: wage assessment (also called job development assessment) – a subsidy deriving from a deduction from wages accompanied by an equivalent reduction in the state withholding tax taken from the worker's pay

Promotes interstate piracy: indirectly, in that it has been awarded to companies relocating from out of state

Provisions: wage assessment up to 5 percent of gross wages (or a corporate income tax credit) for up to 15 years (4 percent of gross wages for 15 years in “enhanced incentive counties”)

Job requirement: at least 10 new full-time jobs

Wage standard: at least 90 percent of new workers must be paid a wage equal to at least 150 percent of the federal minimum wage (125 percent for workers in “enhanced incentive counties”)

Online recipient disclosure: Yes

Historical cost figures:⁵⁴

2007	2008	2009	2010	2011	2012
\$58,908,047	\$60,478,751	\$52,240,017	\$49,419,288	No Data	No Data

Note: Each figure represents combined wage assessment credits actually claimed by workers for KBI, KREDA, KIDA, KJDA, and KEOZ.

Kentucky - Kentucky Industrial Revitalization Act (KIRA)

Enacted: 1992

Latest annual cost: \$8 million (2010)

Type: wage assessment (also called job development assessment) – a subsidy deriving from a deduction from wages accompanied by an equivalent reduction in the state withholding tax taken from the worker’s pay

Promotes interstate piracy: not directly, but recipients may be using possibility of relocation to get an award

Provisions: wage assessment up to 5 percent of gross wages (and a corporate income tax credit) for up to 10 years limited to 75 percent of approved costs.

Job requirement: must retain or create at least 25 jobs (program focused on retaining jobs in manufacturing or agribusiness facilities that are in “imminent danger” of closing or that have temporarily closed)

Wage standard: No

Online recipient disclosure: Yes

Historical cost⁵⁵

2007	2008	2009	2010	2011	2012
\$5,112,337	\$5,520,374	\$5,340,883	\$8,048,682	No Data	No Data

Note: Each figure represents wage assessment credits actually claimed by workers.

Maine - Employment Tax Increment Financing (ETIF)

Enacted: 1995

Latest annual cost: \$7.2 million (estimate for FY2012)

Type: rebate to employer of state withholding taxes associated with new jobs

Promotes interstate piracy: potentially, since program is available to companies relocating from another state

Provisions: up to 80 percent of withholding taxes for up to 10 years (percentage depends on economic condition of the area). There is no defined maximum amount that a company may receive.

Job requirement: at least 5 new jobs

Wage standard: new employees must receive an annual income greater the county's average per-capita income

Online recipient disclosure: No

Historical cost figures:⁵⁶

2007	2008	2009	2010	2011	2012
No Data	\$2,657,676	\$2,737,407	\$6,827,423	\$7,510,165	\$7,156,182

Note: These numbers represent the amount approved.

Maine - Shipbuilding Facility credit

Enacted: 1997

Latest annual cost: \$3 million (estimate for FY2012)

Type: credit against state withholding tax remittances

Promotes interstate piracy: indirectly in that it has been used in response from threats from shipbuilders to leave the state

Provisions: credit is equal to the withholding taxes of qualified employing during the second half of a calendar year, up to a maximum of \$3.5 million per company

Job requirement: limited to shipbuilders with at least 6,500 qualified employees

Wage standard: annual pay must be greater than statewide per capital annual income

Online recipient disclosure: No

Historical cost figures:⁵⁷

2007	2008	2009	2010	2011	2012
No Data	\$2,844,000	\$2,844,000	\$3,125,000	\$3,125,000	\$2,968,750

Note: These numbers represent the amount approved.

Mississippi – Impact Withholding Rebate Program/Existing Industry Withholding Rebate Program

Enacted: 2009

Latest annual cost: \$1.1 million (FY2012 estimate for two programs combined)

Type: cash payments equal to the lesser of a percentage of the taxable wage or state withholding taxes paid by new employees

Promotes interstate piracy: not directly through job creation portion of the Impact program. . The Existing Industry program is for companies that have been in the state for at least two years.

Provisions: The Impact retention portion provides subsidies equal to the lesser of 1 percent of wages or the full amount of state withholding taxes paid by retained employees for up to 10 years (maximum: \$6 million); or, the lesser of 3.5 percent of wages or the full amount of state withholding taxes paid by new employees for up to 25 years if new jobs are created. The Existing Industry portion provides subsidies equal to the lesser or 3.5 percent of wages or the full amount of state withholding taxes paid by new employees for up to 2 years.

Job requirement: The Impact program requires retention of at least 1,200 jobs or creation of 500 to 1,500 new jobs. The Existing Industry program requires at least 10 new jobs

Wage standard: The Existing Industry program requires that average annual salaries be at least the lesser of 100 percent of the state or county average annual wage

Online recipient disclosure: No

Historical cost figures:⁵⁸

2007	2008	2009	2010	2011	2012
N/A	N/A	No Data	No Data	\$1,100,000	\$1,100,000

Note: The figures show estimated combined costs for both programs. Both programs could be costlier if more companies meet the programs high job creation/retention requirements (according to the Mississippi Department of Revenue, currently there are only two recipients under both programs).

Mississippi – Mississippi Advantage Jobs Incentive Program (Advantage Jobs)

Enacted: 2000

Latest annual cost: \$10 million (FY 2012 estimate)

Type: rebate to employer of state withholding taxes associated with new jobs

Promotes interstate piracy: in effect, since program was created to compete with other states

Provisions: rebates to the employer equal to the lesser of 90 percent of state withholding taxes paid by new workers or up to 4 percent of the wages of those workers for up to 10 years

Job requirement: Data/information processing businesses must create at least 200 new jobs; other businesses must create at least 25 jobs

Wage standard: the average annual wage of workers must be between 100 percent (for data/information processing companies) and 110 percent (for other businesses) of the county or state average, whichever is lower

Online recipient disclosure: No

Historical cost figures:⁵⁹

2007	2008	2009	2010	2011	2012
\$8,000,000	\$9,500,000	\$11,000,000	\$11,000,000	\$11,000,000	\$10,000,000

Note: The figures are estimates.

Missouri – Quality Jobs Program

Enacted: 2005

Latest annual cost: \$51.1 million (withholding claimed in 2011)

Type: retention of state withholding taxes (additionally, tax credit not related to the withholding for Technology and High Impact projects)

Promotes interstate piracy: more likely in the High Impact Business portion

Provisions: Small/Expanding Businesses can keep 100 percent of withholding for 3-5 years, depending on wage levels; Technology firms can retain withholdings equal up to 6 percent of new jobs payroll (if an extra bonus added) for five years; and High Impact firms can retain withholdings equal up to 7 percent of new jobs payroll (if two extra bonuses added) for five years. When percent of benefits is higher than the legally allowed percent of withholdings, Technology and High Impact projects receive the difference through a tax credit.

Job requirement: at least 20 jobs in rural areas, 40 in non-rural areas for Small/Expanding businesses; 10 for technology firms; and at least 100 for High Impact firms

Wage standard: The average wage must be at least the county average wage; pay levels help determine the duration of the subsidy

Online recipient disclosure: Yes

Historical cost figures:⁶⁰

2007	2008	2009	2010	2011	2012
No Data	\$6,943,422	\$17,442,970	\$38,339,483	\$51,095,605	No Data

Note: The figures represent actual withholding claimed.

Missouri - The Missouri Automotive Manufacturing Jobs Act

Enacted: 2010

Latest annual cost: \$15 million (annual program cap)

Type: retention of state withholding taxes

Promotes interstate piracy: likely (the program goal is to allow companies to bring production lines to Missouri) ; was designed to discourage Ford Motor from closing its Claycomo plant

Provisions: company can retain up to 100 percent of withholding for 10 years (if it is manufacturing a new product) or if it is a supplier for up to 5 years depending on wage level

Job requirement: not explicitly, but recipient must invest at least \$50,000-\$75,000 per existing job (suppliers must create at least 5 jobs)

Wage standard: suppliers must pay wages that are equal to or exceed the county average for the NAICS category but not less than 60 percent of the statewide average

Online recipient disclosure: Presumably yes, given state’s extensive disclosure, but program is too new to report information

Historical cost figures:⁶¹

2007	2008	2009	2010	2011	2012
N/A	N/A	N/A	N/A	N/A	\$15,000,000

Note: Benefits are allowed starting January 1, 2012. The program cap has been set for \$15 million per year and each company cannot claim more than \$10 million per year.

New Jersey - Business Employment Incentive Program (BEIP)

Enacted: 1996

Latest annual cost: \$178 million (amount disbursed in 2011)

Type: grants based on a percentage of the state withholding taxes paid by new workers

Promotes interstate piracy: yes, in that it has been used for this purpose

Provisions: grants equal 10 to 80 percent of the withholding for up to 10 years with a maximum of \$50,000 per employee

Job requirement: at least 25 new jobs (10 for emerging technology companies)

Wage standard: preference given to employers paying at least 1.5 times the federal minimum wage

Online recipient disclosure: Yes

Historical cost figures:⁶²

2007	2008	2009	2010	2011	2012
\$154,422,000	\$189,410,000	\$139,723,000	\$106,000,000	\$178,000,000	No Data

Note: These figures reflect the amount actually disbursed. Amounts for 2007-2009 are estimated.

New Mexico – High Wage Jobs Tax Credit

Enacted: 2004

Latest annual cost: \$4.6 million (estimate for 2010)

Type: credit against withholding tax remittances

Promotes interstate piracy: yes, since program has been used to compete with other states

Provisions: credits equal to 10 percent of the wages and benefits paid for each new job; can be applied to the state portion of gross receipts tax, compensating tax and withholding tax. There is a maximum of \$12,000 per job, per year. Any excess credit will be refunded to the taxpayer. Employers can take the credit for four years.

Job requirement: None

Wage standard: Qualified jobs must pay at least \$28,000/year in a community with a population of less than \$40,000; \$40,000/year in larger communities

Online recipient disclosure: No

Historical cost figures⁶³:

2007	2008	2009	2010	2011	2012
\$1,657,900	\$4,724,700	\$14,440,800	\$4,596,200	No Data	No Data

North Carolina - Job Development Investment Grants (JDIG)

Enacted: 2002

Latest annual cost: \$21.7 million (2011). There is an annual cap of \$180 million over the life of the subsidies awarded in that particular year or \$15 million per year for 12 years per fiscal year.

Type: grants based on a percentage of the state withholding taxes paid by new workers

Promotes interstate piracy: in effect, since program was created to compete with South Carolina

Provisions: grants equal 10 to 75 percent of withholding for up to 12 years (percentage determined on a case-by-case basis). There is no defined maximum amount that a company may receive.

Job requirement: at least 10 or 20 jobs, depending on the area

Wage standard: no minimum levels but each agreement includes a requirement relating to aggregate wages

Online recipient disclosure: Yes

Historical cost figures:⁶⁴

2007	2008	2009	2010	2011	2012
\$50,670,409	\$79,105,279	\$94,593,739	\$85,717,173	\$21,708,750	No Data

Note: This amount reflects the amount actually disbursed.

Ohio - Job Creation Tax Credit

Enacted: 1992

Latest annual cost: \$55.7 million (estimate for FY2012)

Type: credits against the commercial activity tax determined by the amount of state withholding taxes generated by new employees

Promotes interstate piracy: yes, in that the program has been used this way from the beginning

Provisions: value of credits determined on a case-by-case basis but are generally up to 75 percent of withholding for up to 15 years with no per-project maximum value. Credits are refundable and can be carried forward.

Job requirement: at least 10 new jobs

Wage standard: at least 150 percent of the federal minimum wage

Online recipient disclosure: Yes

Historical cost figures:⁶⁵

2007	2008	2009	2010	2011	2012
\$50,300,000	\$87,700,000	\$92,000,000	\$53,500,000	\$54,600,000	\$55,700,000

Note: This amount reflects the state's estimation of the costs.

Ohio - Job Retention Tax Credit

Enacted: 2001

Latest annual cost: \$16.5 million (estimate for FY2012)

Type: credits against the commercial activity tax determined by the amount of state withholding taxes generated by retained employees

Promotes interstate piracy: not directly

Provisions: credits equal up to 75 percent of withholding for as long as 15 years with no per-project maximum value. Credits are refundable (only if the recipient can prove it had an offer from another state) and can be carried forward. The Ohio Tax Credit Authority approves a maximum credit value that may be approved per year for each individual project. The program was modified in 2011 to ease eligibility requirements, allowing more companies to qualify and making the credit refundable under certain circumstances.

Job requirement: must retain at least 500 workers

Wage standard: No

Online recipient disclosure: Yes

Historical cost figures:⁶⁶

2007	2008	2009	2010	2011	2012
\$10,500,000	\$1,900,000	\$9,300,000	\$4,500,000	\$11,500,000	\$16,500,000

Note: This amount reflects the state's estimation of the costs.

South Carolina - Job Development Credits

Enacted: 1995

Latest annual cost: \$70.3 million (amount claimed in FY 2009)

Type: credit against state withholding tax remittances

Promotes interstate piracy: possibly, the program has been used in relocations from other states

Provisions: Up to 15 year credit (the Coordinating Council for Economic Development may limit to 10 years) equals 2 to 5 percent of gross wages, with amounts adjusted depending on the area of the state; the Council may limit the amount to \$3,250 per worker per year.

Job requirement: at least 10 new jobs (the Council may require a bigger number)

Wage standard: except in limited cases, there is no explicit minimum but credit amounts are linked to wage levels

Online recipient disclosure: Yes (company name but not subsidy value)

Historical cost figures:⁶⁷

2007	2008	2009	2010	2011	2012
No Data	No Data	\$70,317,528	No Data	No Data	No Data

Note: The 2008 figure represents claimed credits in that year. The Tax Incentives for Economic Development in South Carolina for FY 2008-2009 puts the total Job Development Credits claimed since 1999 at \$498,021,558 (p. 14).

Utah – Economic Development Tax Increment Financing (EDTIF)

Enacted: 2005

Latest annual cost: \$4.5 million (amount disbursed in FY 2011)

Type: originally rebates of withholding and other taxes; now a tax credit based on state withholding tax and other new revenue to the state generated by job creation

Promotes interstate piracy: yes; program is designed to lure companies to the state

Provisions: credits equal up to 30 percent of withholding and other new revenue for the state; credits, which typically last 5-10 years, are refundable

Job requirement: at least 50 new jobs in urban counties; no minimum in rural counties

Wage standard: wages must be at least 125 percent of the county average in urban counties; 100 percent in rural counties

Online recipient disclosure: Yes

Historical cost figures:⁶⁸

2007	2008	2009	2010	2011	2012
No Data	No Data	No Data	\$5,897,239	\$4,465,031	No Data

Note: This amount reflects the amount actually disbursed plus the value of refunds and rebates.