

PROSPECT WORK & EXISTING INCENTIVES

Process of Elimination

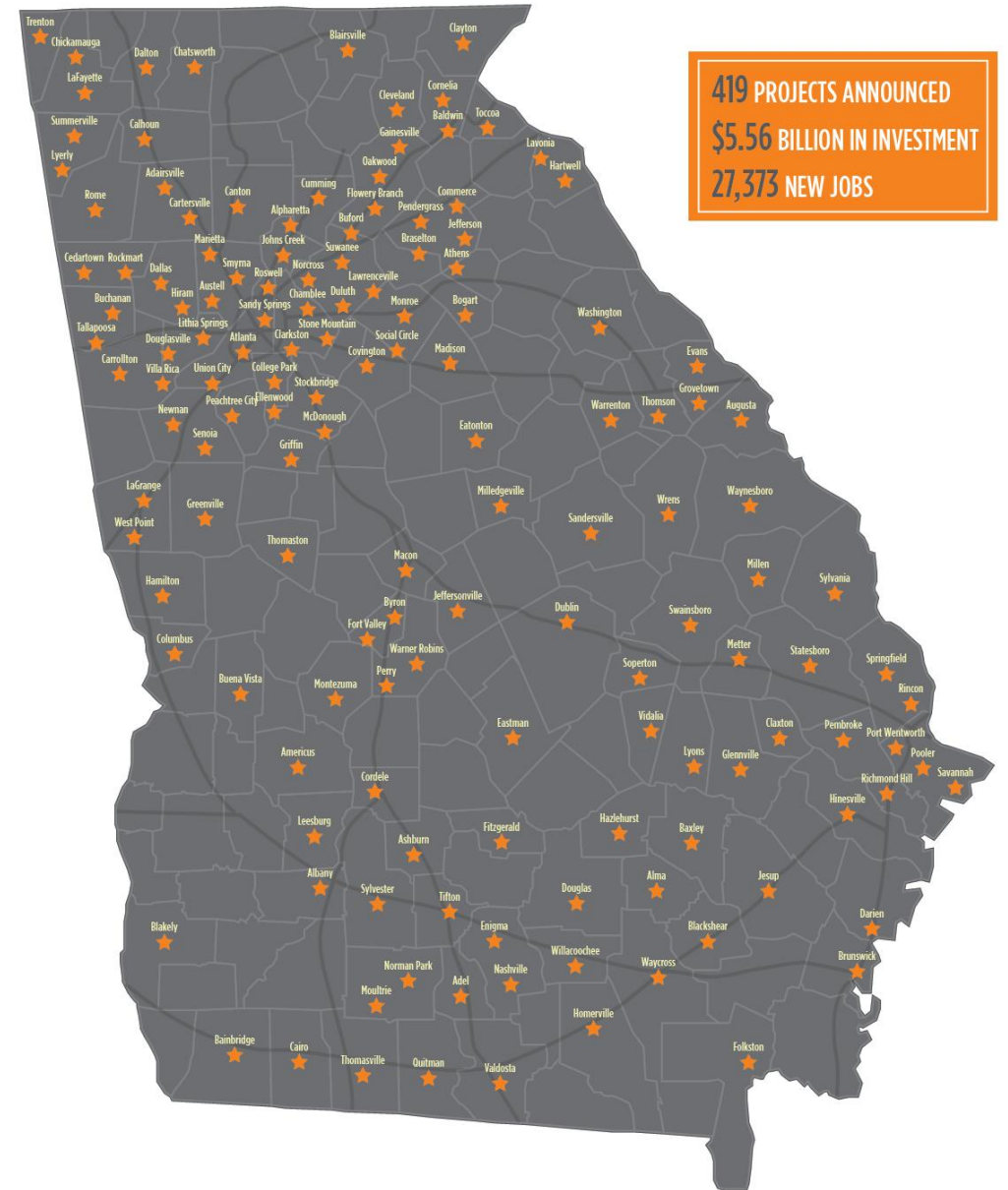




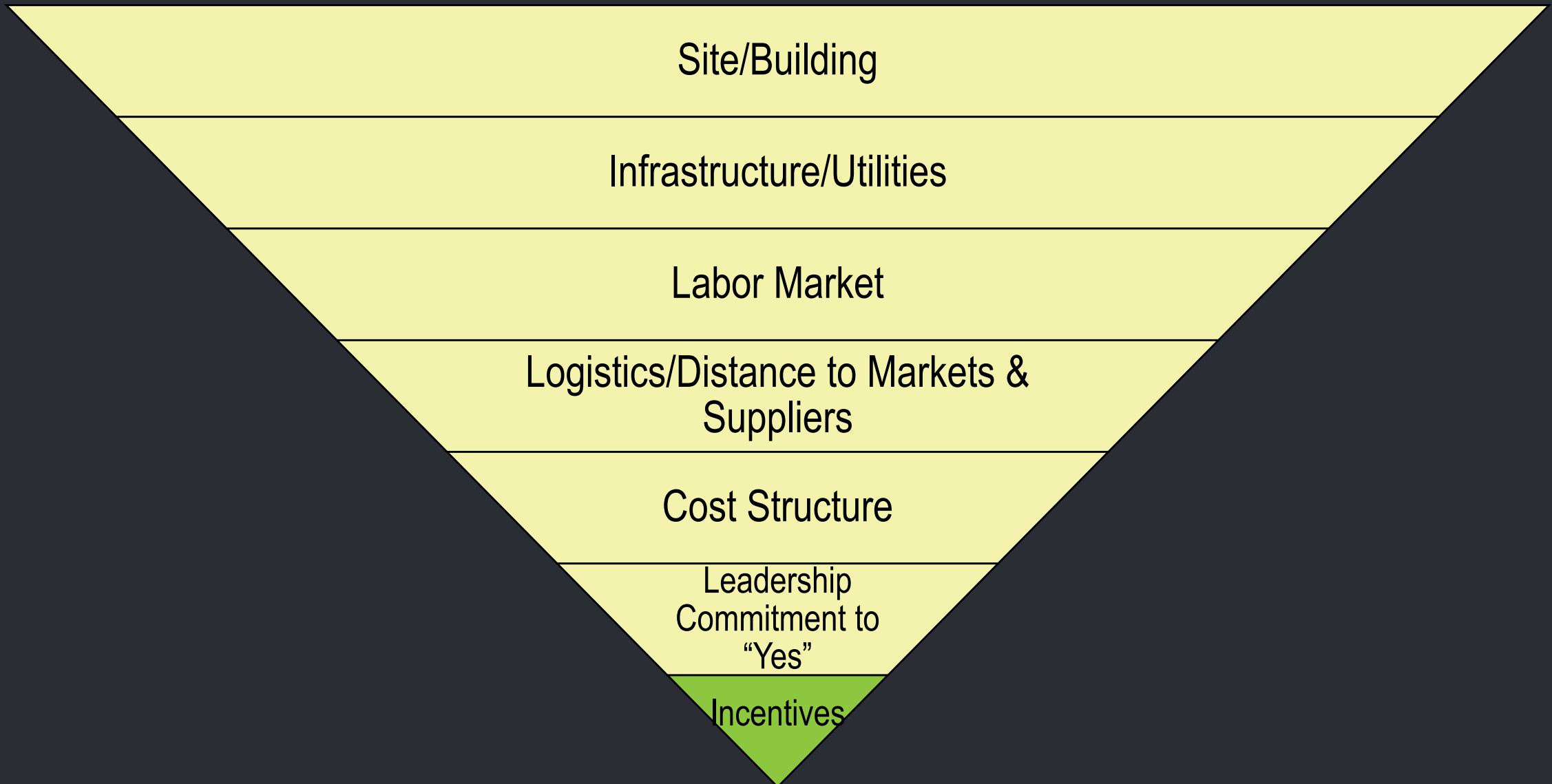
5 years in a row by *Site Selection*, 2013-2017

4 years in a row by *Area Development*, 2014-2017

FY18 Global Commerce Project Announcements



PROCESS OF ELIMINATION



TYPES OF INCENTIVES

Corporate
Income Tax
Credits

Sales & Use Tax
Exemptions

Grants/Land/
In-Kind

Training/Hiring
Support

Local

GEORGIA'S INCENTIVE PROGRAMS

JOB CREATION

Job Tax Credits*

Port Tax Credit Bonus

Quality Jobs Tax Credits*

Mega Project Tax Credits*

COMMUNITY INCENTIVES

Potential for:

Property Tax Abatement

Land at Reduced Cost

Permitting Fee Waivers

New and Improved Infrastructure

Site Preparation

Cash Grants

STATE DISCRETIONARY

Potential grants for:

Land Acquisition

Site Preparation

Building Construction

Equipment Costs

Quick Start

**S&U Tax Exemption on
Construction Materials**

*Cash equivalent where applicable to payroll withholding

GEORGIA'S INCENTIVE PROGRAMS

ADDITIONAL SUPPORT FOR GROWTH

R&D Tax Credits*

Retraining Tax Credits

Investment Tax Credits (for existing mfgs.)

Child Care Tax Credits

SALES & USE TAX EXEMPTIONS

Energy Used in Manufacturing

Manufacturing Machinery & Equipment

Primary Material Handling Equipment

High Tech Data Centers

High Tech Computer Hardware & Software

Additional

*Cash equivalent where applicable to payroll withholding

A GEORGIA OFFER

PROJECT PARAMETERS

German supplier of plastic and molded parts

222 jobs

\$34.3 million investment

\$44,750 average wage

Considered Polk County

Tier 2 Job Tax Credits: \$3,000/job

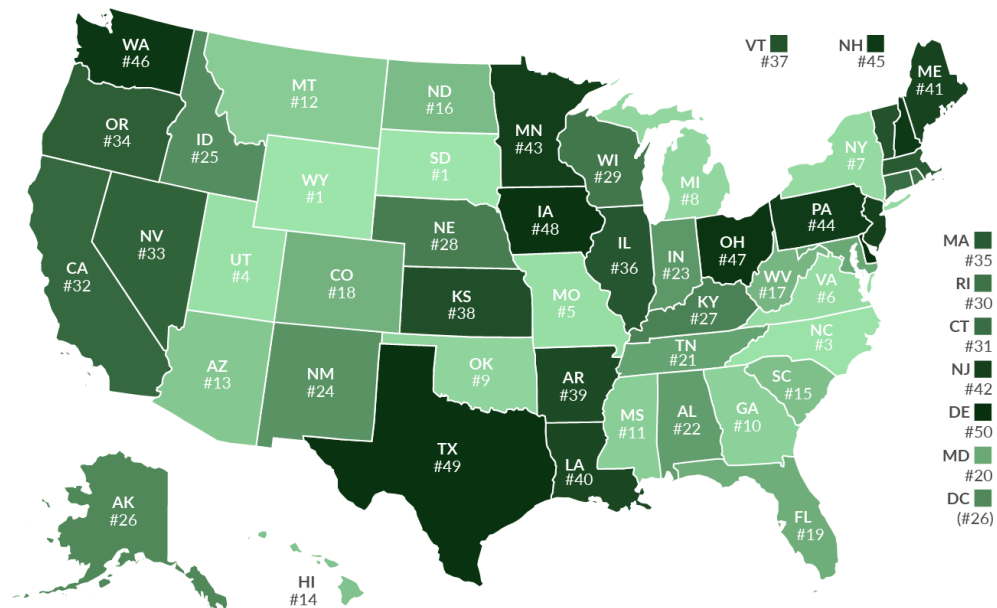
Total State & Local Grants: \$3,491/job

Start-Up Savings:	
Project/Site Development	
Project Development Grant	\$675,000
Building Sale Price Discount - Local	\$450,000
Local Development Grant	\$100,000
Local Utility Assistance	\$20,000
Training/Hiring	
Georgia Quick Start	\$1,049,891
Equipment Purchases, Sales & Use Tax Exemption for start-up and future purchases:	
Qualified Machinery Used in Production	\$1,529,577
Savings from Tax Credits: (five-year total)	
Job Tax Credits	\$3,330,000
Annual, Ongoing Savings:	
Energy Used in Manufacturing Process	6% of qualified purchases
Repair & Replacement Parts to Industrial Machinery, Raw Materials and Packaging for Manufactured Product	7% of qualified purchases
Inventory Tax for Manufacturers' Goods	No state tax, Exempt local tax
Corporate Income Tax Apportionment	Only In-State Sales
Property Tax	
Local Property Tax Abatement over 15 Years	\$2,450,263
State Property Tax	No state tax
Subtotal from State of Georgia	\$6,584,468
Subtotal from Polk County	\$3,020,263
Estimated Total Cost Savings and Cost Avoidances	\$9,604,731

COMPETITIVE LANDSCAPE

How Does Your State Rank on Corporate Taxes?

Corporate Tax Component Rankings, 2018 State Business Tax Climate Index

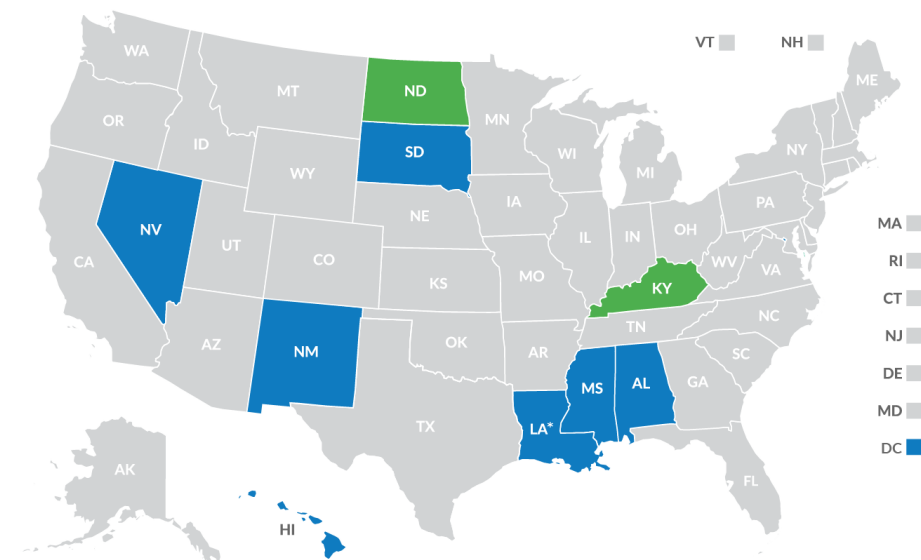


Note: A rank of 1 is best, 50 is worst. DC's score and rank do not affect other states.
Source: Tax Foundation, 2018 State Business Tax Climate Index.

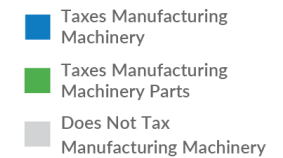


Does Your State Tax Manufacturing Machinery?

Sales Taxes on Manufacturing Machinery, 2018



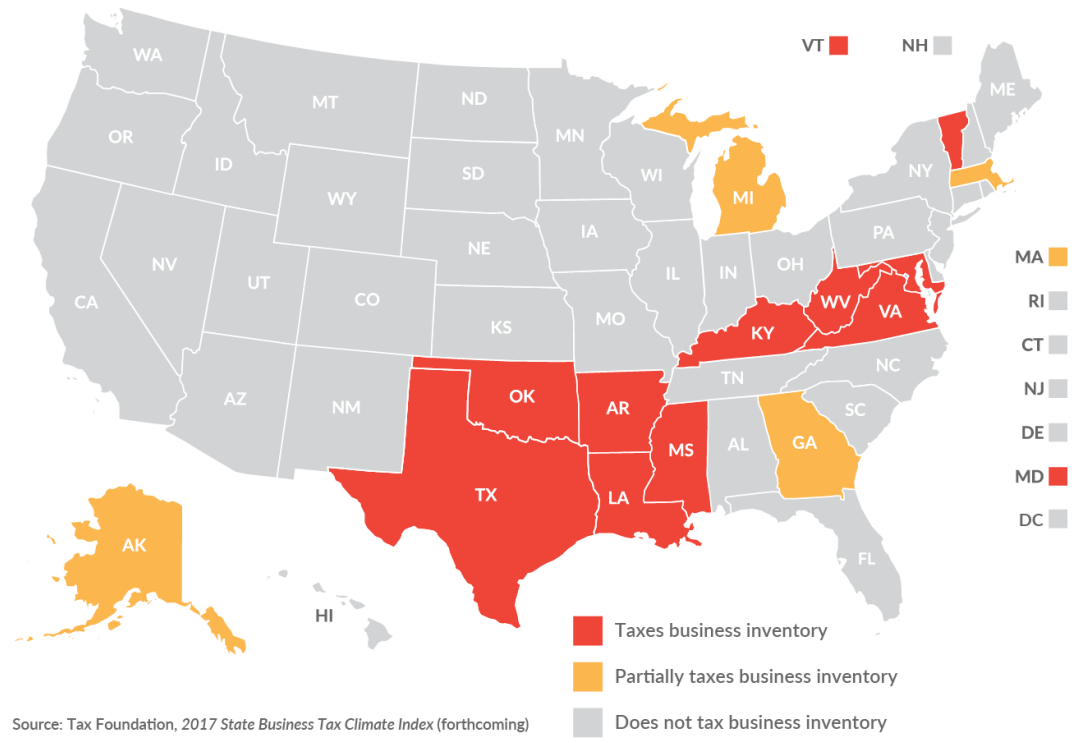
Note: In Louisiana, the tax is temporary and will go to a 0 percent rate as of July 2018.
Source: 2018 State Business Tax Climate Index.



COMPETITIVE LANDSCAPE

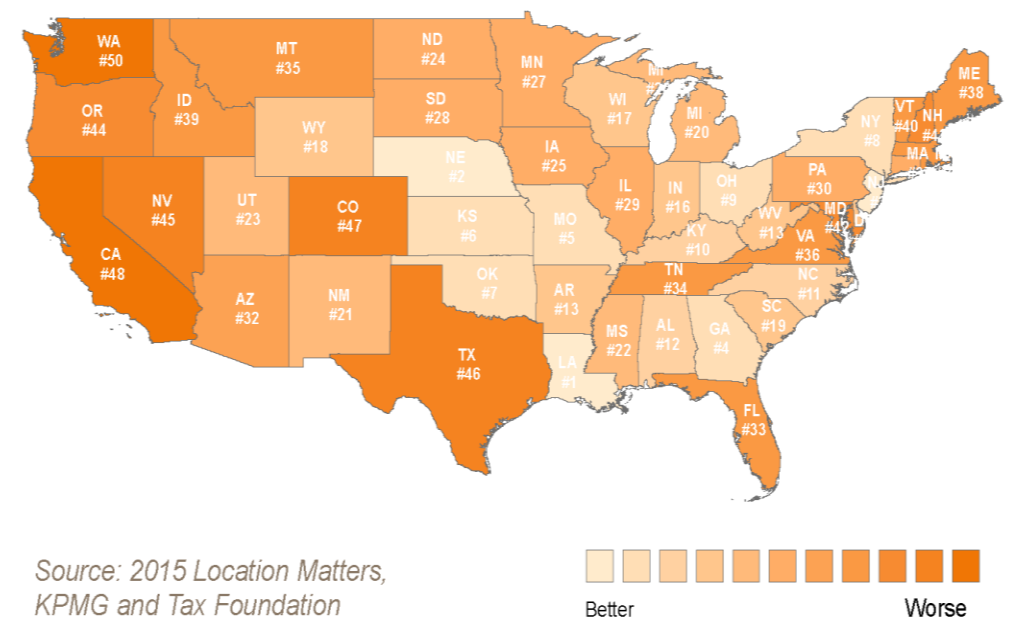
Does Your State Tax Business Inventory?

Property Taxes on Business Inventory, as of July 1, 2016



What is an effective tax rate for a new labor-intensive manufacturer?

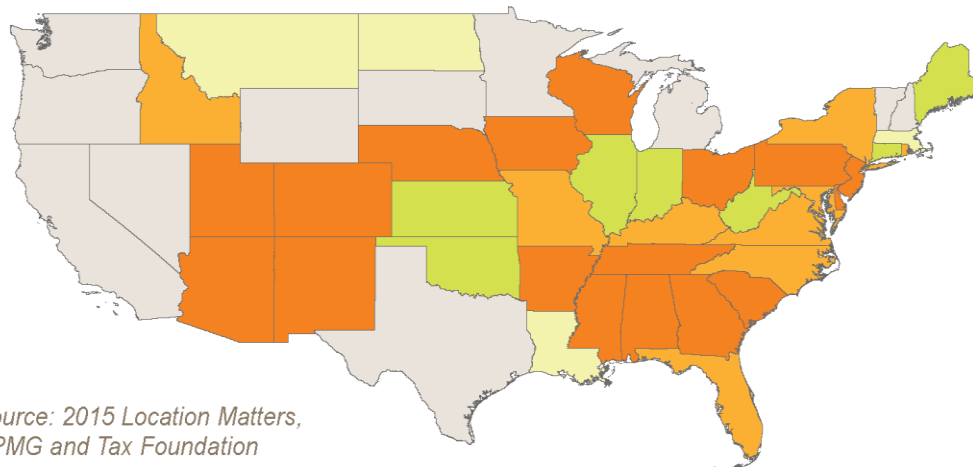
Effective rate with statutory and discretionary incentives



Job Creation Tax Credits: At least 30 States, including all of Southeast

What states have a Job Tax Credit for the Strategic Industries of Manufacturing, Distribution Centers, Call Centers, HQs, and R&D?

As of 2015, so some information may be out of date

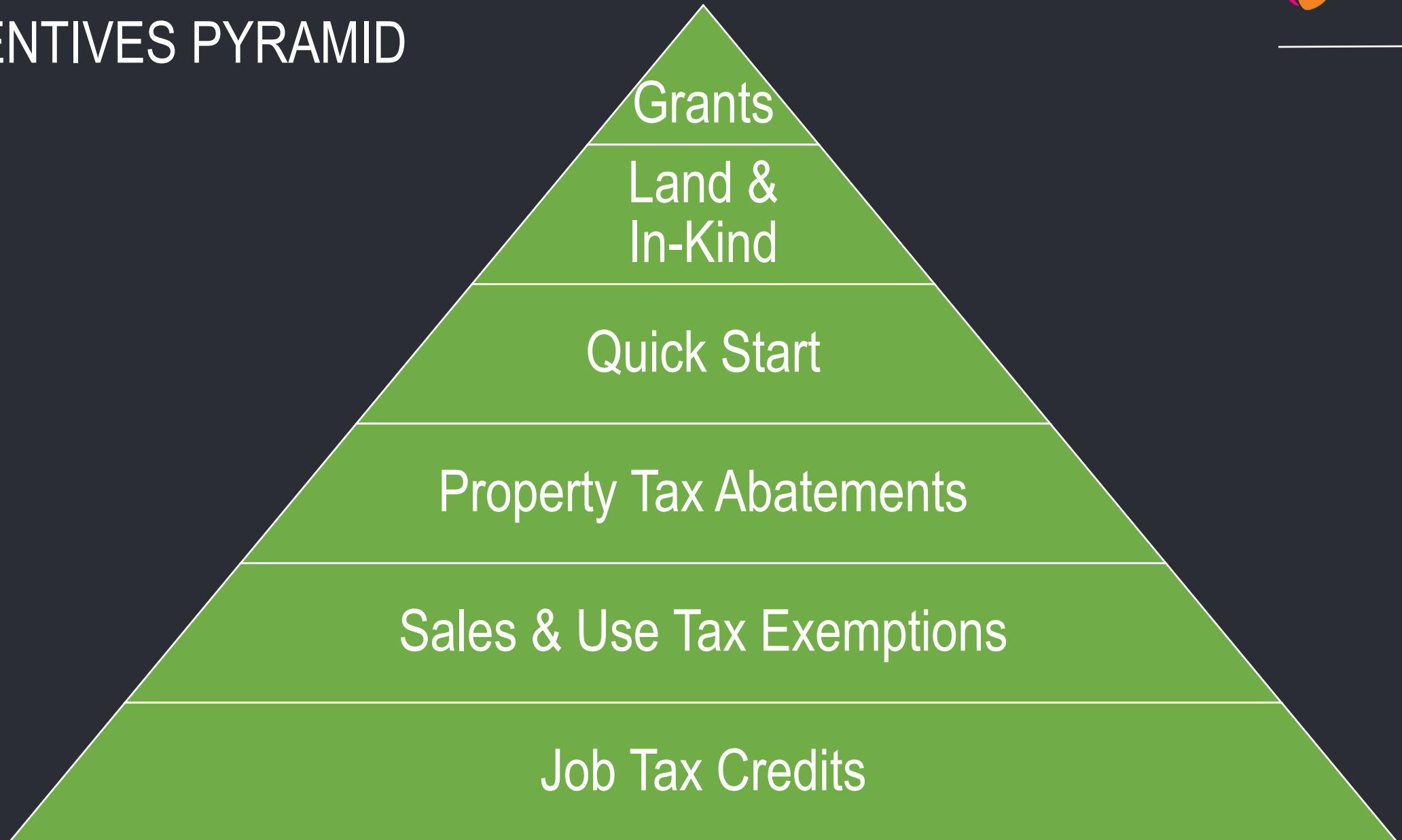


Source: 2015 Location Matters, KPMG and Tax Foundation

- All Strategic Industries
- Some Strategic Industries
- One-Industry Only
 - LA: Call Centers
 - MA: R&D
 - MT & ND: Manufacturing
- Investment Credit instead of JTC
- No Job Tax Credit (or Investment)
 - No Corporate Tax in the case of SD & WY.
 - Only Gross Receipts/Margin Tax in the case of NV, OH, TX & WY.

State	Job Tax Credits
Alabama	3-4% of payroll for 10 years
Arkansas	1% of new payroll x 5 years
Delaware	\$500 per new job x 10 years
Florida	Varies from \$3,000-\$4,000 per new job over 4 years
Georgia	Varies from \$1,250-\$4,000 per new job x 5 years
Kentucky	4-5% of gross wages of new jobs, up to 10 to 15 years
Iowa	6% of wages (to max \$24,500) for new jobs
Mississippi	2.5% of new payroll x 5 years
New Jersey	\$5,000 per new job x 10 years
North Carolina	Discretionary grant for job creation, up to 12 years
Ohio	Discretionary credit for job creation, up to 15 years
Pennsylvania	\$1,000 per new job
South Carolina	Varies from \$1,500-\$8,000 per new job
Tennessee	\$4,500 per new job, varies 1 to 5 years
Virginia	\$1,000 per new job over 2 years (excludes R&D)
Wisconsin	\$5,000 per new job

INCENTIVES PYRAMID



Focus on the Current State of the Tier System

