

Idaho Statutory and Discretionary Incentives

PROGRAM NAME	ISSUING JURISDICTION	PROGRAM TYPE	DESCRIPTION	CARRYOVER	LIMITATIONS	MAXIMUM \$ AMOUNT/ SAMPLE FORMULA
Basic Incentives--no threshold requirements						
3% Investment Tax Credit	State of Idaho - Tax Commission	Investment Tax Credit	3% investment tax credit on all new depreciable, tangible, personal property (machinery and equipment) used in Idaho. Tax payer may elect, in lieu of this credit, a two (2) year exemption from all taxes on personal property on the qualified investment.	14 years	Credit can offset up to 50% state income tax liability	Tangible personal property X .03=incentive
\$100,000 personal property tax exemption	County commissioners	Personal Property tax exemption	Businesses are allowed an exemption on the first \$100,000 of "personal property," such as equipment and furnishings. Effective July 1, 2013	Yearly		\$100,000 X local tax rate=incentive
5% Research and Development Tax Credit	State of Idaho - Tax Commission	Research tax credit	5% tax credit on qualified research expenses as defined by section 41 of Internal Revenue Code that were conducted in Idaho.	14 years		TBD
Property tax exemption on motor vehicles	County commissioners	Exemption property tax	Standard exemption for all business in state.			TBD
Sales tax exemption on utilities and industrial fuels	State of Idaho - Tax Commission	Exemption sales tax	Standard exemption for all business in state.			TBD
Enhanced Incentives--with threshold requirements: Idaho Business Advantage						
1. Invests \$500,000 2. 10 jobs @ \$40,000 w/benefits 3. Additional jobs pay \$15.50 during project						
1) Idaho Business Advantage 3.75% Enhanced Investment Tax Credit	State of Idaho - Tax Commission	Investment Tax Credit	3.75% enhanced tax credit on all new, depreciable, tangible, personal property (machinery and equipment) placed in Idaho during project period.	14 years	Cannot exceed 62.5% of tax obligation or \$750,000 in any tax year.	Max \$750,000 in tax year X 15 years=\$11,250,000
2) Idaho Business Advantage 25 % sales tax rebate on construction materials	State of Idaho - Tax Commission	Sales Tax Rebate	25% rebate of all sales taxes that the taxpayer or contractors actually paid in regard to new plant and building facilities, properties constructed within the project period.		Cash reimbursement with proof of purchase.	Sales tax paid X .25=rebate
3) Idaho Business Advantage 2.5% real property improvement tax credit	State of Idaho - Tax Commission	Real Property Tax Credit	2.5% tax credit on investments in new plant and buildings and structural components of buildings that do not qualify for the ITC placed in service during project period.	14 years	Cannot exceed \$125,000 in any tax year	Max \$125,000 in tax year X 15 years=\$1,875,000
4) Idaho Business Advantage Enhanced New Job Credit	State of Idaho - Tax Commission	New Job Tax Credit	\$1500/job=24.04/hr to 28.85/hr \$2000/job=28.86/hr to 36.06/hr \$2500/job=36.07/hr to 43.27/hr \$3000/job=43.28/hr or more Employee must work 9 months before they qualify for credit.	10 years	Number of jobs per salary range X \$ per range= subtotal. All ranges added equals total. See "variables" worksheet for employee and wage assumptions	TBD
5) Idaho Business Advantage 100% Property Tax Exemption for up to 5 years	County Commissioners	Full or partial property tax exemption	County Board of Equalization of county in which property that qualifies for the ITC or RPTIC is located can exempt all or part of the value of the property from property tax.		Up to 5 years, must be renewed every year.	TBD
Enhanced Incentives--with threshold requirements Non-Idaho Business Advantage						
100% Property Tax Exemption for up to 5 years	County Commissioners	Full or partial property tax exemption	Businesses that invest \$3 million in new manufacturing facilities receive full or partial tax exemptions on new plant/building/personal property. 80% of investment must be made in one location.		County must approve exemption. Up to 5 years.	TBD
Production Sales Tax Exemption	State of Idaho-Tax Commission	Sales Tax Exemption	Businesses purchasing equipment and raw materials used directly in manufacturing, processing, mining, fabrication, logging, semiconductor may earn a sales tax exemption.		Materials, supplies and equipment must be used directly in production	ex. \$500,000 in materials X .06=exemption of \$30,000 in sales tax
Workforce Development Training Funds	State of Idaho - Labor Department	New Job Training Reimbursement	\$2000 + cash reimbursement for training (excluding salaries) of full time new employees paid \$12.00/hr plus benefits for qualifying companies		Two year time frame for reimbursement	ex. 100 employees X \$2,000=\$200,000
Job Creation/Capital Investment Incentives	Twin Falls Urban Renewal Agency	Land Acquisition, Public Infrastructure	Up to 10% reimbursement of bonding capacity of the increased property value. This can be used to reduce the cost of land acquisition or making public infrastructure improvements such as water/sewer, power, gas, streets, curb/gutters, and other items considered in the public realm	Not Applicable	Up to 20 years depending on the # of years remaining on a Revenue Allocation Area district.	Base Property Value = \$100,000 New Property Investment value = \$1,000,000. 10% of incentive value = \$90,000 (.10 X \$900,000)
Commercial Offerings						
Energy Conservation rebates	Idaho Power, Avista, PacifiCorp	Rebates to Business	Commercial and industrial customers have the potential to achieve significant savings through efficient energy use. Earn incentives up to \$100,000 per site, per year for qualifying energy-saving improvements. Eligible projects cover lighting, air conditioning systems, plug loads and more.		Business to engage Idaho Power in planning of facilities.	Up to \$100,000

NOTES:
 Idaho Income Taxes: The corporate and top personal income tax rate is 7.4%. The tax rate is applied to Idaho taxable income of the entity doing business in the state. Idaho taxable income is derived from the federal taxable income, modified by required state additions and subtractions. Multi-state corporations must apportion their modified taxable income using a three factor formula (consisting of property, payroll and a double weighted sales factors) to arrive at Idaho taxable income. Combined reporting is required by Idaho for a Unitary business with greater than 50% ownership of the related corporations.