

State Incentive:

Manufacturing and Agriculture Credit –

Open to any manufacturing or Ag related business. his corporate income and franchise tax credit is calculated based on a specified percentage of the qualified production income that a claimant derives from property assessed as manufacturing or agricultural property in Wisconsin. The credit is phased in over four years, beginning at 1.875% of production income for the calendar year 2013 until it reaches the full credit, which is 7.5% of production income in 2016, which basically serves to offset tax rates otherwise applicable (Meaning starting in 2016 the tax rate is .04%). This program is administered by the Wisconsin Department of Revenue.

Wisconsin Economic Development Tax Credits

The Economic Development Tax Credit program incents manufacturing projects involving substantial expansion of existing Wisconsin businesses or relocation of major business operations from other states to Wisconsin through refundable tax credits that can be earned through job creation and employee training based on up to ten percent of payroll of new positions.

Note to qualify and company at a minimum must meet the following criteria:

- pay at least \$10.88 hr. (150% above Federal Minimum Wage)
- the project can not start until approved by WEDC or assistance is forfeited – Start is defined as shovels in the ground

Industrial Revenue Bond

An Industrial Revenue Bonds (IRB) can be used to finance new buildings at a below-market potentially fixed rate for construction and/or equipment financing. The maximum IRB is \$10 million with a maximum of 20 years for building only financing. New equipment can be financed using IRBs as well. However, the term allocated to equipment only IRBs can be no longer than 120% of the expected economic life of the equipment being financed. And, the equipment must be new manufacturing equipment. If an IRB finances both a building and equipment the term will be blended. Buildings and equipment financed by an IRB must be depreciated on a straight line basis. (Often, businesses will finance the building using an IRB, but finance their equipment conventionally so that the equipment can depreciated more quickly.)

Local Incentive:

Tax Increment Financing

The site falls within a Tax Increment District allowing the City of Menomonie the flexibility on how project sites are conveyed to new or expanding businesses. With each transaction a starting point is obtained by calculating the size of lot by the current asking price. Deductions are allowed for jobs created or retained, type of project, construction materials, finished market value of the building and impact on the community with the ultimate goal of reducing the purchase price. Additional TIF incentives could be offered to offset costs associated with work outside of the building shell and is based on the same factors as listed above.

Cost of doing business

One of the greatest incentives is the overall reduction in the cost of doing business that companies face when operating in WI. Attached you will find a cost of doing comparison chart between Wisconsin and Minnesota (who else)