

Appendix 7-B - State Economic Development Incentive Comparisons

Incentive	SC	NC	GA
Use of state funds for Site Acquisition & Development	Increased debt ceiling 5 to 5.5% to issue bonds for site acquisition & development	Can do on project-by-project basis - typically for projects with large economic impact Some counties will provide land at no cost	Has committed \$20M in appropriations for site acquisition; unclear if state has also used bonds for site acquisition, but the legislature authorized \$80M in 20-year bonds for the purchase of mega sites
Job Development Grant (taken against employee withholding taxes)	No statutory caps; purpose & object of grantee expenditures of grant monies is restricted	Up to 75% of withholding; annual cap of \$10M; positive fiscal impact required; maximum of 15 projects per year; maximum term 10 years	New manufacturing facility: 6% of the cost of qualified investment property - \$50M limit for any one project
Discretionary Grants	Economic Development Set-Aside Program receives \$18M annually from state gasoline tax collections	Appropriation of \$20M for the One North Carolina Fund in 2004. Additional appropriations are planned for 2005-2006. Funds can be used for most project purposes, such as equipment, building &/or utility improvements, etc.	Regional Economic Business Assistance Grant Program receives \$2M - \$5M annually in state appropriations. One Georgia Fund provides \$10M annually for grants &/or loans to close deals (EDGE Grants) & another \$10M annually for grants &/or loans to improve infrastructure, workforce or tourism in Tier 1 & 2 counties. One Georgia is funded with \$62M from Georgia's tobacco settlement
Incentive	SC	NC	GA
Research & Development (R&D) Tax Credit	5% of total qualified research expenditures in SC Applies to all companies	5% of NC apportioned share of increase in qualified research expenditures Applies to WS Lee-eligible companies only	10% of increase in qualified research conducted in GA Applies to manufacturing, warehousing & distribution, processing, telecommunications, tourism & R&D industries
Job Creation Tax Credit	Up to \$40,000 per job in most distressed' tier - \$8,000 annually for 5 years	Up to \$12,500 per job in Tier 1	Up to \$26,250 per job in most distressed' tier - \$5,259 annually for 5 years
Machinery & Equipment (M&E) Tax Credit	Up to 5% of investment in qualified' manufacturing & productive equipment properties. A one-time economic impact zones credit - limited to \$1M	Up to 7% of M&E placed in service for Tiers 1 & 2	Up to 5% of the cost of all qualified investment property purchased or acquired. An optional credit available - up to 10% - but availability depends on the aggregate costs of the investment, among other factors
Headquarters or Central Administrative Office (CAO) Tax Credits	Headquarters credit of 20% of initial capital investment. Not limited to 50% of corporate tax liability LLC credit requirement - minimum 40 HQ jobs at 2 x County per capita income level	Minimum of 40 new CAO jobs. Maximum available credit of 7% of the cost of CAO property purchased to a maximum credit of \$500,000	Minimum of 100 new jobs: \$2,500 to \$5,000 per job annually for 5 years (amount per job depends on salary level). Credits claimed may not exceed \$25M

Source: GA Department of Commerce, NC Department of Commerce, SC Department of Commerce