

BUSINESS INCENTIVES SERVICES & RESOURCES



BUSINESS INCENTIVES

- ◆ **Freeport Tax Exemption:** City of Oak Ridge North, City of Shenandoah, Conroe ISD, Montgomery County, Montgomery County Hospital District and The Woodlands Township offer property tax exemptions on goods-in-transit. Items that are in the state for less than 175 days may be exempt from inventory property tax assessments.
- ◆ **Job Tax Credits:** Employers that hire targeted workers may be eligible for two federal tax credits and a state tax refund, with a maximum credit of \$8,500 per employee (over two years). Targeted workers include AFDC/TANF, Food Stamp and SSI recipients.
 - ◆ ***Work Opportunity Tax Credit***
 - ◆ ***Welfare-to-Work Tax Credit***
 - ◆ ***State of Texas Refund for Employers of AFDC/TANF*Clients***
 - * AFDC (Aid to Families with Dependent Children), TANF (Temporary Assistance to Needy Families).
- ◆ **State Sales & Use Tax Exemptions:** *Manufacturing Machinery and Equipment* – certain leased or purchased machinery used or consumed in the manufacturing, processing, fabricating, or repairing of personal property for ultimate sale are exempt. *Natural Gas & Electricity* – electricity and natural gas used in manufacturing, processing, or fabricating of personal property may be exempt based on a “predominate use study.”
- ◆ **Tax Abatement:** Montgomery County, The Woodlands Township, as well as the cities of Oak Ridge North and Shenandoah, offer abatement of the property taxes on improvements for those who qualify. The taxes can be abated for up to 10 years, depending on the number of jobs created and the amount of investment.
- ◆ **Tuition Waivers:** Companies that create jobs for which they must recruit employees from outside Texas may be eligible for a waiver of out-of-state tuition at state colleges and universities for those relocating employees and their family members.
- ◆ **Research & Development:** Companies engaged in research and development activities can receive reductions in either applicable sales tax or franchise tax (not both). Certain qualifications apply. The R&D tax credit is administered through the Comptroller of Public Accounts.
- ◆ **Texas Enterprise Zone:** The Texas Enterprise Zone Program is an economic development tool to establish a process that clearly identifies distressed areas and provides incentives by both local and state government to induce private investment in those areas by the provision of tax incentives and economic development program benefits for the creation and retention of high quality jobs. Under this program economic development is encouraged by allowing enterprise projects to be designated outside of an enterprise zone, with a higher threshold of hiring economically disadvantaged or enterprise zone residents.
- ◆ **Texas Enterprise Fund:** The \$90 million fund can be used for a variety of economic development projects, including infrastructure development, community development, job training programs and business incentives. The Governor, Lieutenant Governor and Speaker must unanimously agree to support the use of the Texas Enterprise Fund for each specific project before funds can be awarded.
- ◆ **Workforce Development & Recruitment**
 - ◆ ***Lone Star College System*** offers a variety of corporate training and continuing education programs as well as customized and grant-based training. In addition, Montgomery College will host company- and industry-specific job fairs.
 - ◆ ***Skills Development Fund*** is a state-level grant program that funds customized job training for relocating and expanding businesses.
 - ◆ ***Workforce Solutions***, the Gulf Coast Workforce Board’s career center, offers pre-screening, testing and employee-matching services to local employers.

BUSINESS INCENTIVES SERVICES & RESOURCES



THE WOODLANDS AREA
ECONOMIC DEVELOPMENT PARTNERSHIP
UNMATCHED OPPORTUNITY. UNRIVALED COMMUNITY

SERVICES AND RESOURCES

- ◆ **Site Selection Assistance:** The EDP can help companies find locations within South Montgomery County that meet their needs. Whether building to suit or leasing an existing facility, site selection assistance is confidential and free of charge.
- ◆ **Demographic/Labor Market Profiles:** The EDP maintains demographic, wage rate and labor market data for The Woodlands Area. Customized profiles can be developed for specific projects.