

BUSINESS INCENTIVES PRACTICE

MAJOR INCENTIVE PROGRAMS WEST VIRGINIA

A Cushman & Wakefield Global Business Consulting Publication



2015

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The Business Incentives Practice (“BIP”) strategically assists companies through the process of securing optimal incentive packages for projects considering an expansion, consolidation, or relocation. BIP leverages a project’s unique strengths and benefits to identify, negotiate, and implement all feasible economic development or government incentives (“Incentives”) opportunities. Moreover, BIP provides ongoing support and administration for a project to address any issues that may arise. By engaging BIP to work in parallel to the site selection team, businesses can have assurance that the optimal level of Incentives is secured and realized.

SERVICES

BIP’s mission is to develop a strategy that enhances business performance, while reducing a project’s up-front capital and ongoing operational costs through the procurement of Incentives. Many businesses are not aware they may be entitled to Incentives benefits for certain expansion, consolidation, and relocation activities. BIP identifies said opportunities through a multifaceted methodology that begins with careful analysis of project-specific data. The process continues with a detailed due diligence on all aspects of site-specific Incentives opportunities and concludes with the negotiation, implementation, and administration of Incentives.

RESULTS

BIP has successfully secured Incentives packages for a broad range of clients globally. The BIP team maintains a robust incentives database and along with its vast experience it facilitates the best possible results for a project. Since its inception, BIP professionals have negotiated in excess of \$3.0 billion in savings for its clients.



KEY PROJECT TYPES

BIP enables its clients to identify, negotiate, and quantify the myriad of incentives available through the federal, state, and municipal governments, as well as utilities service providers. BIP clients represent all industry sectors, ranging in size from Fortune 100 corporations to private owners, occupiers and developers. Almost any type of corporate location initiative can benefit from the use of C&W’s Business Incentives Practice:

- Corporate Headquarters Facilities
- Manufacturing Facilities
- R&D Centers
- Warehouse and Distribution Facilities
- Call Centers
- Data Centers
- Back-Office Centers
- Mixed-Use Developments

WEST VIRGINIA’S RECENTLY AWARDED INCENTIVES (USD M)

COMPANY	INVESTMENT	JOB	INCENTIVES
Procter & Gamble	\$500.0	700	\$8.5
Carbonyx International	\$250.0	200	\$15.0
Allevar Sogefi USA	\$20.0	250	\$0.8
Analabs	\$2.5	12	\$0.9
Mining Repair Specialists	\$1.1	9	\$0.9
American Woodmark Corp.	\$12.6	150	\$1.5
Citynet	\$9.0	0	\$7.0
InfoCision	\$0.2	54	\$0.1
Putnam Holdings	\$2.0	20	\$0.9
IMI Fabi	\$13.9	9	\$3.7
Preston Machine	\$1.0	12	\$0.5
Skana Aluminum Company	\$4.7	13	\$2.0

OVERVIEW OF MAJOR WEST VIRGINIA INCENTIVE PROGRAMS

CORPORATE HEADQUARTERS RELOCATION CREDIT

Companies that relocate their corporate headquarters to West Virginia are eligible for tax credits if 15 new jobs (including relocated employees) are created within the first year. The credit can offset up to 100 percent of the tax liability for business and occupation tax, business franchise tax, corporate net income tax, and personal income tax on certain pass through income, for a period of up to 13 years.

ECONOMIC OPPORTUNITY CREDIT

For qualified companies that create at least 20 new jobs within specified time limits (10 jobs in the case of qualified small business) as a result of their business expansion project, the State's Economic Opportunity Tax Credit can offset up to 80 percent of specified business taxes for a period of up to 13 years. If a qualified company that creates the requisite number of jobs pays an annual median wage higher than the statewide average non-farm payroll wage, then the qualified company can offset up to 100 percent of the specified taxes for up to 13 years.

For qualified businesses creating less than 20 new jobs within specified time limits, or for a qualified small business creating less than 10 new jobs, a \$3,000 credit is allowed per new full time job for five years, providing the new job pays at least \$32,000 per year and the employee has employer-provided health insurance benefits. The \$32,000 figure is adjusted annually for cost-of-living.

MANUFACTURING INVESTMENT TAX CREDIT

A tax credit is allowed against up to 60 percent of corporate net income tax and business franchise tax based on qualified investment in eligible manufacturing property, with no new job creation required.

HIGH-TECH MANUFACTURING CREDIT

Businesses that manufacture certain computers and peripheral equipment, electronic components or semi-conductors and which create at least 20 new jobs within one year after placement of qualified investment into service, can receive a tax credit to offset 100 percent of the business and occupation tax, business franchise tax, corporate net income tax, and personal income tax on certain pass through income for 20 consecutive years.

"FIVE-FOR-TEN" PROGRAM

The State provides a tax credit to businesses that make qualified capital improvements of at least \$50 million to an existing facility that has received \$100 million in previous capital investment. The new capital investment is assessed at a salvage value of 5% for the first 10 years.

West Virginia shows an average deal value of \$5.20 million with 144 new jobs created per deal

OTHER WEST VIRGINIA INCENTIVE PROGRAMS

- Direct Loan Programs
- Indirect Loans
- Industrial Revenue Bonds
- West Virginia Infrastructure and Development Council
- Linked Deposit Loan Program
- Venture Capital West Virginia Capital Company Act
- Manufacturing Inventory Credit
- Commercial Patent Incentives Credit
- West Virginia Film Industry Investment Act
- Aircraft Valuation
- The Freeport Amendment
- Special Rates of Electric Power for Industrial Consumers
- Research and Development Sales Tax Exemption
- Sales Tax Exemption for Certain E-Commerce Businesses
- Sales Tax Exemption for Warehouse Distribution Centers

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