



LOCAL & STATE INCENTIVE OVERVIEW

The State of Texas, City of San Antonio, Bexar County, and Regional Partners offer incentives to companies exploring investing in our community. The factors that determine eligibility and level of possible incentives in the area include capital investment, number of employees and wages. While we will need additional information to determine for which, if any, of the programs your client may qualify, they include:



> **Texas Enterprise Fund (TEF):** The TEF, the largest “deal-closing” fund of its kind in the nation for large, high Capex and impactful projects. The TEF becomes available when there is one Texas City competing for a project with another city (cities) outside the state. The TEF can be used for a variety of economic development projects, including infrastructure development, community development, job training programs and business incentives. The Governor’s Office works closely with greater:SATX to tailor incentive packages that best meet the needs of local communities and businesses. **Qualified projects of similar stature have been averaging \$5,500.00 per new job.**

> **State Enterprise Zone (EZ):** A State EZ allows communities to partner with the State to offer state tax benefits to new or expanding businesses in distressed areas. The City can nominate up to 9 projects every biennium for EZ designation. **Approved projects can receive a refund of state sales and use taxes over 5 years or up to \$1.25M depending on the job creation and level of investment.** Projects must agree to hire from 25% to 35% economically disadvantaged, including State EZ census tract residents. The City’s Federal Empowerment Zone, which encompasses 21 census tracts in the inner city qualifies as a State EZ area.

TOP 5 
**BEST STATES
 IN THE NATION
 TO DO BUSINESS**

State Personal Income Tax Rates	
State	Rates
Arizona	4.50%
Colorado	4.63%
Kansas	5.70%
Missouri	5.40%
Texas	0.00%
Utah	4.95%

State Corporate Income Tax Rates	
State	Rates
Arizona	4.90%
Colorado	4.63%
Kansas	7.00%
Missouri	4.00%
Texas	0.00%
Utah	4.95%

City	State	State	Local	Total Sales Tax
San Antonio	Texas	6.25%	2.0%	8.25%
Dallas-Ft. Worth	Texas	6.25%	2.0%	8.25%
Austin	Texas	6.25%	2.0%	8.25%
Denver	Colorado	2.9%	5.41%	8.31%
Jacksonville	Florida	6.0%	1.0%	7.0%
Kansas City	Missouri	4.225%	4.375%	8.6%
Nashville	Tennessee	7.0%	2.25%	9.25%
Phoenix	Arizona	5.6%	3.0%	8.6%
Seattle	Washington	6.5%	3.6%	10.1%
Washington	D.C.	6.0%	0.0%	6.0%

PROPERTY TAX ABATEMENTS

- > **San Antonio offers Tax Abatements of up to 100%** on real and/or personal property taxes on improvement values for a maximum term of up to 10 years. Abatement percentages and terms are based on job creation, wages, targeted industry and project location. The value of this incentive may equal up to \$5,600 per \$1.0 million investment.
- > **All companies receiving City of San Antonio Tax abatements must adhere to the living wage and median hourly wage guidelines, as illustrated below:**
 - > **Living Wage Requirement:** This wage is based on the poverty level for a family of four, as determined annually by the U.S. Department of Health and Human Services (HHS). This wage is currently \$13.34 per hour (\$27,747/yr.)
 - > **Median Hourly Wage Requirement:** This is the wage requirement that applies to all companies at the time the tax abatement agreement is executed. This wage is updated annually. The currently applicable wage is \$17.37 per hour (\$36,130/yr.). 70% of all employees after year one of operations must meet this salary requirement.
- > **Bexar County also provides tax abatements of up to 100% on real and/or personal property taxes on improvement values for a maximum term of up to 10 years.** Abatement percentages and terms are based on job creation, wages, targeted industry and project location. **100% abatement from Bexar County equals approximately \$2,900 per \$1.0 million investment.** All companies receiving Bexar County Tax Abatements must adhere to the living wage and median hourly wage guidelines listed above.

CITY OF SAN ANTONIO TAX ABATEMENT CRITERIA

Location of the Project	Non-ICRIP	ICRIP and/or targeted industries
Term of Abatement	Up to 6 years	Up to 10 years
Investment in Real & Personal Property	\$10 Million	\$1 Million
New Full-Time Jobs (Note 1)	100	25
Amount of Tax Abatement (Note 2)	Up to 50% on real and personal property improvements	Up to 100% on real and personal property improvements

ADDITIONAL INCENTIVES

- > **San Antonio Economic Development Incentive Fund (EDIF):** Just as the State of Texas has a “deal-closing” fund, the City of San Antonio has committed monies to help close deals for San Antonio with their EDIF. The EDIF is a performance-based grant to high-impact projects looking at our community. Similar to the TEF, the EDIF can be used by the company for a wide variety of activities including procuring and preparing a site, infrastructure improvements, training, or to help offset employee relocation. This performance grant is paid as new jobs are created at the project site.
- > **Bexar County Innovation Fund:** The purpose of the Bexar County Innovation Policy for Economic Development is to spur and accelerate the growth of the innovation-focused digital information technology sector within Bexar County. The Innovation Fund is a grant from Bexar County to spur and accelerate the growth of the innovation-focused information technology sector. The grant can be used for local company expansion or newly recruited companies. Requirements: Bexar County Minimum Wage: 70% of all employees must earn the High Tech Wage, with no employees earning less than the Living Wage as defined by BLS and a minimum of 15 new employees. Grant amounts will depend on the strength of the project’s positive impact on the Technology Ecosystem, available Innovation Funds, funding or other incentives provided by other partners, and is subject to Bexar County Commissioners Court approval. Permitted Expenditures: Business-related expenses; commercial rent, water, energy, telecommunication. Technology-related professional certification training or certification exam costs. Innovation related technology devices. Broadband access; cloud or other hosting services; SaaS, IaaS, PaaS or related business platform support costs.
- > **Bexar County Skills Development Fund:** The Bexar County Skills Development Fund allows for tailored training opportunities through grants to new/expanding companies in targeted industries. Grant amounts are subject to Commissioners Court approval and depend on the strength of the project’s positive impact on workforce development initiatives. A company may receive up to \$1,000 per net new Targeted Occupation Position created up to a maximum award not to exceed \$250,000.
- > **Workforce Solutions Alamo (WSA):** WSA offers no-cost testing and screening services designed to provide your company with an ongoing pool of qualified, motivated job applicants. WSA will also provide information and assistance in accessing tax incentive programs, arranging training for incumbent workers, providing referrals to education and training providers; developing customized and on-the-job training programs; and, assisting in accessing State of Texas employer training programs like the Skills Development Fund and Self-Sufficiency Fund. Everything WSA does revolves around one basic premise. Providing companies with a qualified, motivated pool of potential employees ready to work, and represents cost savings to the company.
- > **Job Tax Credits:** Workforce Solutions Alamo’s On the Job Training (OJT) program can put together a training plan specifically that can provide up to 1,040 hours of subsidized training. **Companies submit a weekly timesheet indicating hours worked and receive a monthly wage reimbursement for qualified workers.**
- > **Work Opportunity Tax Credit (WOTC):** WOTC is a Federal tax credit available to employers who hire and retain veterans and individuals from other target groups with significant barriers to employment (long-term Temporary Assistance for Needy Families [TANF], short-term TANF recipients, Food Stamp recipients, Ex-felons, etc.). The tax credit employers can claim depends on the target group of the individuals hired, the wages paid to that individual in the first year of employment, and the number of hours that the individual worked. **The maximum tax credit ranges from \$1,200 to \$9,600 depending on the employee hired.**

