



WEST VIRGINIA DEVELOPMENT ASSISTANCE PROGRAMS

Locating a business in West Virginia makes good business sense. It's the reason more than \$7.4 billion worth of new business investments have been made in the state's economy since 2005.

West Virginia provides access to:

- A business-friendly climate and a skilled work force
- Low business operating costs, 12.9 percent below the U.S. average
- Low utility costs
- A strategic location with overnight delivery to more than half the United States population and more than one-third of the Canadian market
- Low cost of living for employees
- High quality of life and unparalleled outdoor recreational activities

West Virginia's highest priority is meeting your company's needs by providing aggressive development assistance in the form of tax credits and financing programs. This development assistance can reduce startup and operating costs and provide for enhanced productivity.

The West Virginia Development Office also provides research and technical support including competitiveness studies, analysis and a variety of data that will lead to job creation and retention, and to community improvement.

FINANCIAL ASSISTANCE

Direct Loan Programs

The West Virginia Economic Development Authority can provide up to 45 percent in financing fixed assets by providing low-interest, direct loans to expanding state businesses and firms locating in West Virginia. Loan term is generally 15 years for real estate intensive projects and five to 10 years for equipment projects. Loan proceeds may be used for the acquisition of land, buildings and equipment. Working capital loans and the refinancing of existing debt are not eligible.

Indirect Loans

The West Virginia Economic Development Authority provides a loan insurance program through participating commercial banks to assist firms that cannot obtain conventional bank financing. This program insures up to 80 percent of a bank loan for a maximum loan term of four years. Loan proceeds may be used for any business purpose except the refinancing of existing debt.

Industrial Revenue Bonds

This program provides for customized financing through federal tax-exempt industrial revenue bonds. Of the state's bond allocation, \$55,039,950 is reserved for small manufacturing projects; \$15,725,700 for qualifying projects in Enterprise Communities, and \$86,491,350 for exempt facility projects.

West Virginia Infrastructure and Jobs Development Council

The fund can be used for financial assistance to public utilities, county development authorities and private companies for infrastructure improvements to support economic development projects.

Linked Deposit Loan Program

The program allows small, for-profit state employers with fifty or fewer

employees and gross annual receipts of \$5 million or less to apply for a linked deposit loan with an interest rate of one percent above published New York Prime, up to \$250,000.

Venture Capital

West Virginia Capital Company Act

The West Virginia Economic Development Authority administers a program that provides for debt and equity venture capital investment to small business. A number of firms are qualified in West Virginia to make venture capital investments and their contact information may be found at www.wveda.org.

West Virginia Jobs Investment Trust (JIT) is a public venture capital fund created to develop, promote and expand West Virginia's economy. The program makes investment funds available to eligible businesses, thus stimulating economic growth and providing or retaining jobs within the state.

BUSINESS ASSISTANCE

Corporate Headquarters Credit

Companies that relocate their corporate headquarters to West Virginia are eligible for state tax credits.

Economic Opportunity Credit

For qualified companies that create at least 20 new jobs (ten 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 eligible businesses creating less than ten new jobs per year, a \$3,000 credit is allowed per new job for five years, providing the new job pays at least \$32,000 per year and the employee has employer-provided health insurance benefits.

"Five-for-Ten" Program

The program provides tax assistance to businesses that make qualified capital improvements of at least \$50 million to an existing base of \$100 million or more. It assesses the new capital addition at a salvage value of five percent for the first ten years.

Manufacturing Investment Credit

Allows a 50 percent corporate net income tax credit and franchise tax credit based on investment with no new job creation required. Beginning in 2009, the credit may offset up to 60% of Severance, Business Franchise and Corporation Net Income tax liabilities.

Manufacturing Sales Tax Exemption

Materials and equipment purchased for direct use in manufacturing are exempt from the six percent state sales and use tax, including business materials purchased for manufacturing construction projects.

Strategic R&D Credit

The credit allows for up to 100 percent tax offset for R&D projects. R&D expenses are exempt from sales tax.

Sales Tax Exemption for E-Commerce Vendors

Some computer-related sales of tangible personal property and services are exempt from the consumer sales and services tax.

High-Growth Business Investment Tax Credit

This credit is equal to 50 percent of the qualified investment made in certain companies that have been certified by the tax commissioner as eligible for the Strategic R&D Tax Credit. An investor or investor ownership group may use up to \$50,000 of credit per year.

Aircraft Valuation

A reduction in the assessed value of all aircraft owned or leased by commercial airlines, charter carriers, private carriers and private companies is provided for property tax purposes beginning July 1, 2008.

Tourism Development Incentive

A company that invests in and operates a new or expanding tourism destination project may be eligible to retain some of the consumers' sales and services tax that it collects from its customers over a 10-year period on sales from operation of the tourism attraction or facility.

Tax Increment Financing

Allows increases in property tax associated with qualified economic development and public improvement projects to assist with their long-term financing.

Warehouse "Freeport" Tax Exemption

Goods in transit to an out-of-state destination are exempt from ad valorem property taxes when warehoused in West Virginia.

The Tourism Matching Advertising Partnership Program

In order to extend advertising resources for the promotion of tourism through partnerships, this program provides reimbursable matching funds for direct advertising. Business applicants and their partners must provide a minimum of 50 percent of the total cost for programs at the \$10,000 + level. For programs not exceeding \$7,500, business applicants must provide 25 percent of the total cost.

Lodging Exemptions

For lodging stays in excess of thirty (30) consecutive days per person at the same facility, there is an exemption from the state Consumers Sales and Service Tax (six percent) and exemption from the Local Hotel/Motel Tax (varies per region).

West Virginia Film Industry Investment Act

Up to 31 percent of direct production and post-production expenditures can be converted to transferable tax credits to offset state taxes.

High-Tech Manufacturing Credit

High-tech manufacturing businesses making computer and peripheral equipment, electronic components or semi-conductors can receive a tax credit to offset 100 percent of the Business Franchise Tax and 100 percent of the Corporate Net Income tax for 20 consecutive years.

RECRUITING & TRAINING ASSISTANCE

Workforce Development Programs

West Virginia is known for its loyal, dedicated, and productive work force. Realizing the critical importance of a highly skilled, technically proficient work force, the West Virginia Development Office and its partners, WORKFORCE West Virginia and the state's extensive vocational and community technical college system are committed in providing the best turnkey solution to meet the needs of businesses for new and existing workers.

Our work force team is equipped to deploy effective strategies to recruit, screen, test and train applicants by coordinating and leveraging all available state and federal training resources, designing the best possible solution for your business. We guarantee that we will match the skills of West Virginia's committed, available work force with existing jobs and the jobs of the future. This may be done through various programs including but are not limited to:

• WorkKeys® Career Readiness Certificates

The nationally-recognized WorkKeys® Career Readiness Certificates are part of a new initiative from WORKFORCE West Virginia. This initiative will aid in the process of matching qualified job seekers with jobs while assuring businesses that the state of West Virginia has a ready and skilled work force.

• Governor's Guaranteed Work Force Program

West Virginia's key customized training program. This flexible program offers customized training assistance to eligible companies by providing funding that directly supports the transfer of knowledge and skills. Companies must create a minimum of ten net new jobs within a twelve month period.

• The Workforce Investment Act (WIA) Program

This customized training program is available to employers that hire individuals that meet specific program requirements. This program targets job seekers that are either economically disadvantaged or displaced due to job shifting in the region.

• Small Business Work Force Program

This program offers customized job training awards to small businesses (51 or fewer employees) that show a need for work force training to support a competitive improvement activity.

• West Virginia Advance Program

This flexible program offers customized job training awards to new and existing businesses. The program offers development and delivery of training services that will support a company's startup and ongoing employee development initiatives through a local Community and Technical College.

• The Workforce Development Initiative Program

This program encourages working partnerships between area community and technical colleges and the business community. The program requires a one-to-one match from the private sector.

Our team of Workforce and economic development professionals are ready to put together a competitive package to meet your work force needs.

