

BUSINESS ADVANTAGE

The Small Employer Incentive Act, commonly known as **Idaho Business Advantage**, allows tax credits for businesses that invest a minimum of \$500,000 in new facilities and create at least ten (10) new jobs paying \$40,000 annually plus health benefits.

Beneficial to companies that make **substantial capital investments** in new plant and facilities in Idaho.

- 3.75% investment tax credit on tangible personal property
- 2.5% investment tax credit on new plant and buildings
- Up to \$3,000 in tax credit per high wage job
- 25% sales tax rebate on construction materials

To qualify, a business must:

- Create at least **10 new jobs** each paying \$40,000/year (\$19.23/hour) plus health benefits.
- The average wage of any additional new employee during project period must be **\$15.50/hour plus health benefits**.
- Invest **\$500,000** or more in new facilities.

Business Advantage is part of tax code and businesses self-certify for the incentive.

- Businesses notify the Tax Commission of their plans to claim the tax credits upon completion of their qualified project.
- Tax credits are reimbursed through normal corporate income tax and/sales tax processes.
- No additional administrative overhead is required for the program.
- Takes advantage of processes in place and is streamlined for business and the state.

Both **new** to the state and **existing** Idaho companies can take advantage of Business Advantage.

To date, **30 companies** have utilized this tool adding \$20 million per year in capital expenditure to Idaho's economy.

This well-rounded, carefully considered incentive is due to sunset in 2020. We are recommending that this incentive be **extended through 2030**.