



# Incentives

## **Wapakoneta has the advantage of Ohio's numerous incentives for you to establish and grow your business here.**

While some U.S. states only broker a landlord-tenant relationship, Ohio and its local communities act in full partnership with our corporate citizens to better help our companies succeed. These state and local tax incentives, grants, and low-interest financing offer businesses the opportunity to reduce risk while encouraging investment in communities like Wapakoneta.

The Ohio Tax Credit Authority is a five-member independent board charged with reviewing and approving applications for tax credit assistance.

[Learn more about the Ohio Tax Credit Authority](#)

[1]

### **[Ohio Job Creation Tax Credit](#) [2]**

A refundable tax credit taken against a company's Commercial Activities Tax (CAT). The credit is awarded in a rate and a term based on the income tax withholdings of new employees. Rates typically range between 35-45% with terms ranging from 5-7 years. Should the amount of the credit be greater than the company's Commercial Activities Tax in any given year, the amount of the difference will be refunded

### **Research and Development Investment Loan**

A loan administered by the Ohio Department of Development's Office of Financial Incentives for up to 50% of a project's associated R&D costs. Eligible projects must include job creation, and funds can be used for costs such as acquisition of machinery and equipment, leasehold improvements, and building construction. The interest is not to exceed  $\hat{A}$ ½ of the prime rate, and the term of the loan is up to 10 years for machinery and equipment and 15 years for real estate. The Research and Development Loan also includes an annual non-refundable tax credit to be taken against a company's Commercial Activities Tax liability equal to the amount of the principle and interest paid on the loan in that year. The amount of tax credit cannot exceed \$150,000 per year.

### **Innovation Ohio Loan Fund Program (IOF)**

The IOF program can finance up to 75% of a project's qualifying costs through loans in the range of \$500,000 to \$3 million. The program provides financial resources for product commercialization for leading technology companies. While loan terms will be individually negotiated, interest rates will be prime plus 2% and the loan will be in the range of 4-7 years. Allowable costs include the acquisition, construction, renovation, or improvement of facilities, and the acquisition and installation of equipment for innovative projects that create new products and services.

### **166 Direct Loan**

A loan administered by the Office of Financial Incentives for up to 30% of a project's costs or \$1 million (the lesser thereof). The remainder of the financing must be through a combination of private financing and at least 10% owner equity. Allowable costs include the acquisition of machinery and equipment, building or land acquisition, and building construction. The interest rate is not to exceed  $\frac{2}{3}$  of the prime rate and terms range from 7-10 years for the acquisition of machinery and equipment and 10-15 years for real estate.

### **Ohio Enterprise Bond Fund**

Through this bond fund, which is rated AA- by Standard and Poors, the Ohio Department of Development issues bonds,

the proceeds of which are loaned to businesses for eligible projects. Allowable costs include acquisition of machinery and equipment, building or land acquisition, and building construction. The Ohio Enterprise Bond Fund can finance up to 90% of eligible project costs or \$10 million (the lesser thereof), with terms ranging up to 20 years.

### **Ohio Incumbent Workforce Training Voucher Program**

The Ohio Incumbent Workforce Voucher Program will reimburse employers for up to 50 percent of the eligible employee training costs, up to \$4,000 per employee, after the employer pays the full cost of the training, and the employee successfully completes the training. The Program is designed to allow employers to retain and grow their existing Ohio workforce and create a statewide workforce that can meet the present and future demands in an ever changing economy.

### **Targeted Investment Program**

The Targeted Investment Program (TIP) supports the growth and expansion of targeted small businesses within Ohio's manufacturing, technology, and logistics industries. TIP targets small businesses that have received first or second round equity funding and offers debt financing tailored to the specific needs of the company at or below market interest rates. [3]

### **[Technology Investment Tax Credit](#) [3]**

The Technology Investment Tax Credit Program offers a variety of benefits to Ohio taxpayers who invest in small, research and development, and technology-oriented firms. Through this innovative program, Ohio investors may reduce their state taxes by 25 percent (or 30 percent- see FAQ) on the amount they invest in qualified, technology-based Ohio companies. Both the companies and their investor's must meet several requirements specified by Ohio law in order to be considered for the Technology Investment Tax Credit program.

[Learn more about Ohio Development Services Agency](#) [4]

### **[Community Reinvestment Area Program \(CRA\)](#) [5]**

A CRA is an area of land in which property owners can receive tax incentives for investing in real property improvements. The CRA Program is a direct incentive tax exemption program benefiting property owners who renovate existing or construct new buildings. The program permits Wapakoneta to designate areas where investment has been discouraged as a CRA to encourage revitalization of the existing housing stock and the development of new structures.

### **[Enterprise Zone Tax Abatement Program](#) [6]**

This program provides an opportunity for variable tax abatements on local real and personal property taxes. Abatements are negotiated in local communities.

### **Revolving Loan Fund Program**

Low interest loan programs are administered by local municipal and county agencies to be used in conjunction with private lenders for either new or expanding business projects. Loans can finance up to 50% of total project costs with a maximum of \$25,000 per job created. Interest rates are determined on a project-by-project basis and are typically fixed below current market rate. Terms are 5-7 years for purchase of machinery and equipment and 10-15 years for real estate acquisition.

### **Port Authority Information**

The City of Wapakoneta has entered into a cooperative agreement with the Lima Allen County Port Authority. This local Port Authority can offer economic development financing options including common bond funding, structured lease financing, and special assessment. In addition, the Port Authority can provide projects with exemptions from prevailing wage rates and sales tax on construction materials. The Port Authority would need to own the building and lease it to the company for a period of at least three years.

- [1] [https://development.ohio.gov/bs/bs\\_otca.htm](https://development.ohio.gov/bs/bs_otca.htm)
- [2] [https://development.ohio.gov/bs/bs\\_jctc.htm](https://development.ohio.gov/bs/bs_jctc.htm)
- [3] [https://development.ohio.gov/bs/bs\\_titc.htm](https://development.ohio.gov/bs/bs_titc.htm)
- [4] <https://development.ohio.gov/default.htm>
- [5] [https://development.ohio.gov/bs/bs\\_comreinvest.htm](https://development.ohio.gov/bs/bs_comreinvest.htm)
- [6] [http://development.ohio.gov/bs/bs\\_oezp.htm](http://development.ohio.gov/bs/bs_oezp.htm)