



City of  
**BELOIT**, Wisconsin

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***INVENTORY OF  
ECONOMIC  
DEVELOPMENT  
INCENTIVES***

*Updated May 2016*

### **Direct Developer Incentives**

When an individual development or business is located or expands within an existing Tax Incremental Finance District (TIF), the City of Beloit may consider providing a Direct Developer Incentive for projects that generate new increment (new property taxes) and create and/or retain jobs. Direct Developer Incentives are cash payments made to a business or developer which are calculated as a percentage of the property taxes paid by that development for a period of up to ten (10) years following occupancy. Direct Developer Incentive payments are always contingent upon meeting specified job creation or retention criteria specified in a Council approved development agreement.

### **Provision of Infrastructure**

Providing that the development or business is located within an existing and open TIF district, the City may provide industrial quality street, utility services, and other required infrastructure improvements.

### **Wisconsin Manufacturing and Agriculture Credit (MAC)**

WI's Manufacturing & Agriculture Credit (MAC) virtually eliminates the state income tax due on qualified manufacturing activities. In Tax Year 2014, the credit equals 3.75%; in 2015 it increases to 5.526%; and then in 2016 the credit reaches 7.5%. The MAC, which applies to C-Corps and pass through entities too (e.g. S-Corp, LLC, LLP) is an automatic deduction and it's not subject to meeting any type of prescribed investment or employment thresholds.

### **Transportation Economic Assistance (TEA) Grant**

When appropriate, the City will apply for a TEA Grant and/or other Grants from the State of Wisconsin to help finance transportation related infrastructure improvements. The TEA Grant program is a matching grant program with projects capped at \$1 million, and will fund \$5,000 for every FTE created and retained. For more information, please visit <http://www.dot.wisconsin.gov/localgov/aid/tea.htm>.

### **Wisconsin Manufacturing and Agriculture Credit (MAC)**

For taxable years beginning January 1, 2013, Wisconsin will provide a tax credit to offset income tax due on qualified production activities income. The credit is available to offset income derived from property located in Wisconsin that is deemed either manufacturing or agricultural.

#### Credit Rate:

- For years beginning between 12/31/12 and 1/1/14 – 1.875%
- For years beginning between 12/31/13 and 1/1/15 – 3.75%
- For years beginning between 12/31/14 and 1/1/16 – 5.526%
- For years beginning after 12/31/15 – 7.5%
- Effective tax rate = .15%

### **Beloit Development Opportunity Zone Tax Credits – City Wide**

Companies that locate or expand in the City of Beloit are eligible to claim tax credits for job creation for full-time positions that are Wisconsin residents. Credits generally range between \$3,000 and \$8,000 per FTE created. Furthermore, companies located and conducting economic activity in the Development Zone will be eligible to claim state income tax credits for capital investments. These credits can be applied at 3% against the purchase price of real estate, personal property, or construction costs. These credits will be able to be carried forward up to fifteen years.

### **Wisconsin Economic Development Tax Credits**

For larger projects creating 100 or more jobs, businesses may be eligible for a significantly larger amount of State income tax credits by applying directly to the State through the Wisconsin Economic

Development Corporation. The tax credits are non-refundable and non-transferable and must be applied against a certified businesses Wisconsin income tax liability. In the case of an S-Corporation or an LLC or other pass-through entity, tax credits flow through to the owners the same way as the income. Tax credits can be carried forward for 15 years. Eligible business activities include:

1. **Job Creation** – Tax credits can be earned through the creation of new, full-time positions that pay at least \$10.88 per hour. Businesses must create the jobs within three years and maintain them for at least two additional years. Tax credits will be released on an annual basis, in direct proportion to the number of jobs created.
2. **Capital Investment** – Tax credits may be earned through capital investment for property and equipment. Expenditures for working capital, employment costs, moving costs, intellectual property and unrelated fees and permits are not eligible. Tax credits will be released on an annual basis, as eligible expenditures take place. Businesses whose primary activity includes such things as retail, commercial development, recreation, entertainment, or direct health care are not eligible to earn tax credits through capital investment.
3. **Employee Training** – Tax credits may be earned through many types of training provided to existing and new employees in full-time positions. Training must be related to a specific project. Eligible training costs include trainee wages, trainer costs, and trainer materials. Tax credits will be released on an annual basis, as eligible training costs are incurred.
4. **Corporate Headquarters** – Tax credits may be earned by businesses locating global, national, divisional, or regional headquarters operations to Wisconsin or by businesses whose existing Wisconsin headquarters are at risk of leaving the state. Credits will be allocated on a per-job basis.

For more information contact WEDC Regional Account Managers at <http://inwisconsin.com/grow-your-business/resources/regional-account-managers/>.

### **”Fast Track” Building Permit Process**

As previously noted, the City of Beloit will “fast-track” all review processes within its control and be ready to issue permits for construction often in less than 3 weeks after final submittals with early-start permits available

### **Wisconsin Permit Primer**

The Wisconsin Department of Natural Resources’ Permit Primer is a web-based system that provides fast accurate information on permitting questions 24/7. Users are asked questions that help determine which permits they need and once identified, users can download permit forms from the site. Visit the site at <http://dnr.wi.gov/topic/compassist/primer/>. For more information about the Permit Primer contact Laurel Sukup at 715-365-8936 or [Laurel.Sukup@wisconsin.gov](mailto:Laurel.Sukup@wisconsin.gov).

### **Wisconsin Economic Development Corporation Training Grant**

WEDC provides Training Grants to assist businesses in workforce retention and expansion into new markets and technology. The program provides grant funds to businesses to upgrade or improve the job-related skills its full-time employees. Grant funds may be approved for eligible training provided to existing and new employees in full-time jobs. Any business making a firm commitment to locate a new facility in Wisconsin or expand an existing facility within the state, and is upgrading a product, process or service that requires training in new technology and industrial skills, may be eligible for a Training Grant. For more information visit <http://inwisconsin.com/grow-your-business/programs/training-grants/>. Contact WEDC Regional Account Managers at <http://inwisconsin.com/grow-your-business/resources/regional-account-managers/>. For more information, contact Rock County’s Regional Manager, Mary Gage at 608-210-6750 or [mary.gage@wedc.org](mailto:mary.gage@wedc.org).

### **Customized Labor Training Program – Fast Forward Program**

Wisconsin Fast Forward helps address the state's need for skilled workers. The program created worker training grants and makes other investments to prepare workers for jobs available today and in the years to come. Wisconsin Fast Forward will make up to \$15 million in grants available to support employer-led worker training. The Department of Workforce Development's new Office of Skills Development (OSD) will administer the program. An additional component of Wisconsin Fast Forward includes resources to develop a cutting-edge labor market information system in the future. Not only will the system provide real-time labor intelligence, but it will also service as an effective forum to connect job seekers and employers with available jobs. For more information visit <http://dwd.wisconsin.gov/wff/>.

### **Dislocated Worker Training Program**

The Southwest Workforce Development Board (SWWDB) administers a federally funded dislocated worker-training fund. These funds are separate from any other labor training assistance offered by Commerce. Program funds can be used for both classroom and on-the-job (OTJ) training. Funds cover up to 50% of the employee's hourly wage associated with the aforementioned training. This is a reimbursement program. Existing and new Rock County employers are eligible; pending they hire a dislocated Rock County worker. Fund availability varies, depending on dislocation activities and program interest. Skill assessments are determined and formal contracts are established between the Client and SWWDB on a case-by-case basis. Contact SWWDB, at 608.741.3450.

### **Wisconsin Economic Development Corporation Direct Funding Loans**

WEDC may provide Direct Funding (loans) to businesses. Given the high level of demand and the limited funds available, WEDC should not be considered a source of primary financing. WEDC Direct Funding loan funds will be made available for working capital, equipment, training, building construction and improvements, land acquisition, private infrastructure improvements, asset acquisition, and lease payment reduction for property owners. Contact WEDC Regional Account Managers at <http://inwisconsin.com/grow-your-business/resources/regional-account-managers/>.

### **Small Business Administration (SBA) 504 Financing**

If for some reason Industrial Revenue Bonds (IRB) are not a financially feasible option for your use, perhaps we can assist you in obtaining SBA 504 financing for the real estate and depreciable equipment purchases required of such a move. SBA 504 financing requires only 10% equity ingestion on the part of the company with 50% coming from a primary financing institution, and the balance 40% coming from a federal government issued debenture obtained through the state 504 organization. The 40% debenture takes an automatic second position behind your primary lender and is fixed for up to a 20-year period at interest rates that are comparable to IRB rates. The only caveat with SBA 504 financing is that it usually is not available to start-up companies, but each case is considered differently.

### **City of Beloit Revolving Loan Fund**

The City of Beloit administers a revolving loan fund geared towards businesses that create new jobs and tax base within the City. This program can provide up to 30% of your initial financing needs for real estate and depreciable assets and will take an automatic second position behind your primary financing provider. Rates are 65% - 75% of Wall Street prime rate. Projects that eliminate blight, redevelop property or buildings that have been vacant for a prolonged period of time, and/or support or contribute to one of the City of Beloit's target industry clusters may also be eligible for enhanced credit terms. The terms are dependent on the collateral used to secure the loan but can range from five to twenty years for repayment. Funds are limited.

### **GBEDC Multi Bank Loan Pool**

The City of Beloit's Economic Development Corporation has worked with BMO Harris Bank, First National Bank, Blackhawk Bank, and Gateway Community Bank to establish a joint economic development Multi Bank Loan Pool. This one million dollar fund was designed to assist in financing projects in Greater Beloit that will result in significant job creations and or investment. Applications for this fund are required to meet conventional underwriting banking requirements.

### **Cost of Electrical Power**

The cost of electrical power for large users can be as much as 15% to 20% cheaper in Alliant Energy territory over that of Commonwealth Edison in Illinois. You and your company will have to negotiate in advance with Alliant Energy to determine what the actual cost of power for your business.

### **Industrial Revenue Bonds**

The City of Beloit, Town of Beloit, and Town of Turtle can assist in obtaining industrial revenue bonds for your new construction and new equipment purchases for an industrial facility for their communities. Industrial revenue bonds are tax exempt and interest rates typically from 1.5 to 2.5 percentage points below corporate bonds. The terms of the bond issue are negotiable and can be structured to meet the needs of the borrower. The costs of issuing the bonds, which can be sizeable, can be spread out over the term of the bond issue. Companies interested in this program will need to hire a Bond Council.