“Idaho is known for our low cost of living, reliable and inexpensive power, high-quality work force, stable tax base, progressive business climate and our state’s tremendous natural beauty and quality of life. I have spent decades promoting Idaho’s goods, services and people around the world.

As governor, I am personally committed to making Idaho the best place in America to successfully start or expand a business.”

C.L. “Butch” Otter, Governor
The Idaho Business Advantage

Businesses that invest a minimum of $500,000 in new facilities and create at least 10 new jobs averaging $40,000 annually, plus benefits, may qualify for a variety of incentives.

Qualifying companies receive:

- an enhanced Investment Tax Credit of 3.75% up to $750,000 OR 62.5% of tax liability in any one year
- a new jobs tax credit starting at $1,500 and climbing to $3,000 per job
- a 2.5% real property improvement tax credit up to $125,000 in any one year along with a 25% rebate on sales tax paid on construction materials for the new facilities
- upon request of the company, respective county commissioners may also authorize a full or partial property tax exemption

PROPERTY TAX INCENTIVES

Capital Investment Tax Credit

Businesses that invest in new manufacturing facilities may receive partial or full property tax exemptions from local county commissioners. To qualify, businesses must invest a minimum of $3 million and build in a rural area as defined by USDA Rural Development.

Large Business Property Tax Cap

Businesses that invest a minimum of $1 billion in capital improvements will receive a property tax exemption on all property in excess of $400 million in value per year.

Large Employer Property Tax Cap

Businesses that employ at least 1,500 people within an Idaho county may receive a property tax exemption on property values in excess of $800 million. To qualify, the business must make a yearly capital investment of at least $25 million within that county.

SALES TAX INCENTIVES

100% Property Tax Exemption

Business inventory and registered motor vehicles, vessels and aircraft are exempt from property tax.

INCOME TAX INCENTIVES

New Jobs Income Tax Credit

$1,000 Tax Credit

Businesses may earn a $1,000 tax credit for each additional employee added. New employees must work a minimum of 20 hours per week, make at least $15.50 an hour, and be eligible to receive employer-provided coverage under an accident or health plan. The credit may be carried forward up to three years.

$500 Tax Credit

Businesses may earn a $500 tax credit for adding new jobs in the production, assembly, fabrication, manufacturing or processing of natural resources. This credit cannot be combined with the $1,000 new jobs credit.

3% Investment Tax Credit

Businesses that make qualifying new investments may earn an income tax credit. This credit can offset up to 50% of a company’s state income tax liability and may be carried forward up to 14 years.

Qualified Investment Exemption

This exemption may be applied in lieu of the investment tax credit. A two-year exemption from property tax on qualified personal property is available only if a loss was incurred in the second preceding tax year in which the property is placed in service. The loss must have been computed without regard to any net operating loss carry over or carry back.

Net Operating Loss Deductions

Idaho offers a net operating loss income tax provision for losses up to $100,000 per tax year. Losses may be carried back for two years, or if not absorbed in those two years, the remainder may be carried forward for up to 20 years.

5% Research and Development Income Tax Credit

Businesses conducting basic and qualified research may earn an income tax credit of 5% that may be carried forward up to 14 years.

3% Broadband Telecom Income Tax Credit

Businesses that purchase qualified broadband equipment and infrastructure for the benefit of end users in Idaho may earn a 3% income tax credit up to $750,000. This credit is transferable and may be carried forward up to 14 years.

100% Goods-In-Transit Tax Exemption

The state’s free port law provides that goods-in-transit (goods purchased by a carrier in its business and delivered outside the state under a bill of lading for use by the carrier in its business) are exempt from taxation.

ADDITIONAL INCENTIVES

Idaho Prime Rate Loan Program

Commercial banks offer low-interest loans to qualifying small businesses with up to 85% Small Business Administration guaranty.

Up to $20 Million in Industrial Revenue Bonds

Tax-free bonds to finance manufacturing, processing, production and assembly projects are issued by a public corporation with the project or business serving as collateral. Also, taxable industrial revenue bonds are available up to and exceeding $20 million.

Together with some of the lowest overall costs of doing business in the country, Idaho is near the top in virtually all indicators of business and economic vitality.

Financial Incentives and Tax Credits

Idaho Film Incentives

Idaho has a variety of sales and tax incentives available for qualifying media productions, including cash rebates on in-state spending, sales tax rebates on tangible goods purchased in Idaho, and sales & lodging tax exemptions for production personnel who stay a minimum of 30 days in the state. To learn how you can qualify for Idaho’s film incentives, or to access searchable directories for crew, lodging, equipment and locations, please visit www.filmidaho.org/incentives.aspx.

www.filmidaho.org/incentives.aspx
Business Resources and Assistance

DEPARTMENT OF LABOR RESOURCES

Customized Recruiting Services
The Department of Labor offers employers one-on-one professional guidance in managing the recruitment process. Experienced Labor Workforce consultants can visit your work site to identify needs and then effectively match employee prospects to the skills, training and experience required to fill your jobs. The Department of Labor has offices located across the state.

Customized Workforce Training
Idaho supports educational and training programs through the Department of Labor and its local offices to help provide skilled, productive workers for your company. Training can be tailored to your specific company needs and designed to develop skill sets for your precise requirements. Financial reimbursement up to $3,000 is available to eligible companies to cover the cost of training a new employee or retaining one facing permanent layoff.

Workforce Training Network
This network coordinates delivery of statewide training programs to meet the needs of Idaho’s employers and citizens. The state provides these programs in a customized manner based on a business’s needs.

Access Labor Market Information
Visit the Department of Labor’s web site or a local office for current information about work force trends, economic conditions, demographics, wages, industry and occupational statistics and census data. Existing businesses; economic development groups; and companies considering startup, expansion or relocation can also call on labor economists throughout the state for information, analysis, referral services and technical assistance.

OTHER BUSINESS RESOURCES

Idaho Business Network
The Idaho Business Network is the state’s recognized Procurement Technical Assistance Center (PTAC). This organization matches the purchasing needs of federal and state agencies with the products and services of Idaho companies. In addition, it provides technical assistance with completing bid documents, offers seminars on evolving procurement practices and hosts the Idaho Business Opportunity Conference to put you face-to-face with purchasing professionals from government agencies and large corporations. Annually, Idaho businesses average over $100 million in federal and state contracts by taking advantage of the Idaho Business Network.

Export Assistance
Idaho Department of Commerce’s International Trade Division offers export counseling, seminars and marketing resources to Idaho companies. Marketing opportunities via catalogs, trade shows and trade missions are provided at a nominal fee. Idaho trade representatives in Mexico, China and Taiwan, assist companies by finding business opportunities, distributors and projects. They are co-located and partner with the U.S. Commercial Service to provide worldwide resources and assistance.

TechHelp
TechHelp assists Idaho manufacturers in lean manufacturing, human performance, quality systems, product development and information technology to help them become more competitive.

Small Business Development Centers
Small Business Development Centers around the state deliver up-to-date counseling, training and technical assistance in all aspects of management to help small business owners and potential business owners make sound decisions.

TechConnect
TechConnect staff act as project managers to access the resources necessary for businesses to commercialize private, university and governmental technologies. State-sponsored programs and federal grants are earmarked to help Idaho communities and counties with infrastructure improvements that encourage business expansion and strengthen the local economy.

Gem State Prospector
Gem State Prospector gives companies considering relocation or expansion a database of business locations across Idaho. This resource allows companies to search by their property needs and provides in-depth results for each site, including demographic information for the surrounding area, access to utilities, and proximity to support businesses.

www.gemstateprospector.com

INFRASTRUCTURE IMPROVEMENTS

Up to $500,000 in Community Block Grants
Local cities and counties may receive grants to finance public infrastructure improvements that support business development.

Up to $500,000 in Rural Development Grants
Communities in rural Idaho may receive grants to facilitate business development, expansion or relocation.

Up to $50,000 in Gem Grants
Rural communities may receive grants for projects that create assets with a high certainty of aiding job creation and job retention.

Economic Development Administration Grants
Communities may receive grants for industrial or commercial site development where commercial financing cannot be secured. Loans up to $10,000 may be granted for each new job created.

Tax Increment Financing
Cities and counties may use Tax Increment Financing to fund new infrastructure needed to support business development.

Information and programs are available to access the latest research and technology, implement workforce training and development, improve operations and expand sales and marketing.
Compare Business Costs

### Electricity Costs
A major source of Idaho’s electricity is low-cost hydropower. As part of the Bonneville Power Administration’s northwestern power distribution grid, industrial electric rates are lower than most major cities in the nation and about half that of many western cities.

Annual Industrial Electricity Costs

- **Average Rate (Cents per Kilowatt Hour)**: Source: Energy Information Administration, May 2009.

### Per Capita Taxes
Our tax revenues come from a balanced mix of personal income, sales, property and corporate taxes, providing a stable base to fund public services without unfairly burdening any sector. Plus, Idaho’s state and local government debt per capita is the lowest in the nation.

Annual Per Capita State & Local Taxes in Western States


### Unemployment Costs
Idaho’s unemployment insurance program adjusts annual employer rates more equitably. This new structure, adopted in 2005, makes the same percentage change, up or down, in the tax rate of every employer, regardless of the experience rating. This new tax mechanism also triggers lower tax rates than the previous system under similar economic conditions.

Annual Unemployment Costs

- **Average State & Local Taxes**: Source: Small Business & Entrepreneurship Council, April 2009.

### Overall Business Costs
Economy.com ranks Idaho the second lowest state in the West in overall costs of doing business.

Overall Business Costs in Western States


### Overall Energy Costs
Overall energy costs are impacted by a variety of factors, including regulation, taxes, government mandates, economic growth and development of resources. With a business friendly regulatory environment and continued development of a diverse range of energy sources, Idaho has the second lowest energy costs of any state in the nation.

Overal Energy Costs

- **Average Rate (Cents per Kwh)** Source: Small Business & Entrepreneurship Council, April 2009.

### Workers’ Comp Rates
Idaho employers with workers’ compensation insurance pay some of the lowest premiums in the country. If lower-than-normal rates create a surplus, policyholders save in the form of rate deviations or actual dividends.

Annual Workers’ Compensation Costs


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**Note:** Rate shown is for ID Class Code 0381.