





Briefing on Governor's Economic Development Initiative

**Business
Investment
Services**

**Small
Business
Advocate**

**Permitting
Assistance**

**Innovation
(iHubs)**

**International
Trade and
Investment**

WHAT IS GO-BIZ?



GO-BIZ HIGHLIGHTS

- State office of Economic Development Policy and Job Creation Initiatives
- Responsible for relocation, expansion, and retention of companies statewide
- Regulatory Streamlining & Modernization efforts
- Oversees a state trade office in Shanghai
- Administers largest network of state Innovation Hubs.







**New
Employment
Credit**

**Manufacturing
+ Sales and
Use Tax
Exemption**

**California
Competes Tax
Credit**

CALIFORNIA COMPETES

SALES AND USE TAX EXEMPTION FOR MFG, BIOTECH AND R&D



4.19% statewide sales & use tax exemption, Starts July 1, 2014 and administered by Board of Equalization



\$200 Million per year in qualified purchases per BUSINESS but there is no cap on the program.



Manufacturing equipment PLUS equipment for Food Processing, Manufacturing R&D, Biotech manufacturing, Biotech R&D and adding necessary tenant improvements



Manufacturing+ incentivizes equipment purchases by removing the state portion of the sales tax. The local portion will still go BACK into communities.



NEW EMPLOYMENT CREDIT



WHEN: Applicable for employees hired on or after Jan 1, 2014.
Employer must have a net increase in jobs.



WHERE: Applies to businesses located in high unemployment and high poverty areas as well as former Enterprise Zones excluding wealthy areas, and former LAMBRAs



WHO: Persons unemployed 6 months, veterans within one year of separation, EITC recipients, ex-offenders and recipients of CalWorks or general assistance



HOW MUCH: Up to \$56,000 per employee (5-year total, 2,000 hours) based on wages above \$12 an hour & up to \$28 an hour (or above \$10 an hour base in limited pilot areas)



CA COMPETES TAX CREDIT



Flexible Income tax credit negotiated between GO-Biz and businesses that want to come to California or stay and grow in California



CC credit amount depends on several factors including number of jobs the business will create or retain, compensation paid to its employees, amount of investment in California and the business' economic impact here

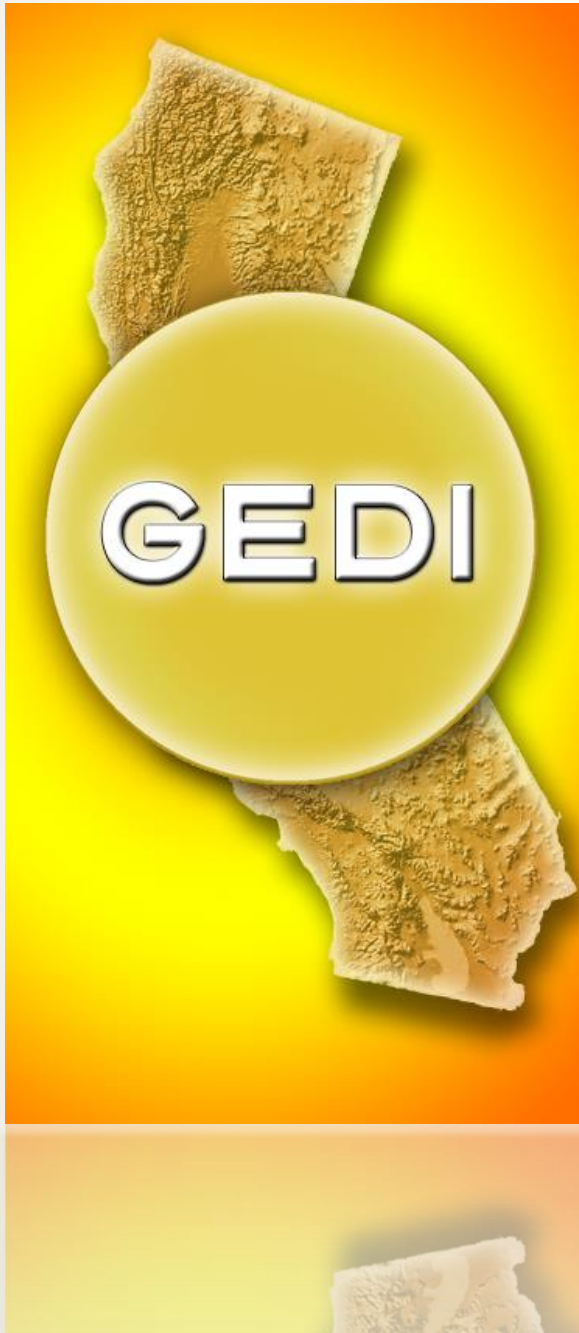


No single business will receive more than 20% of the total amount available



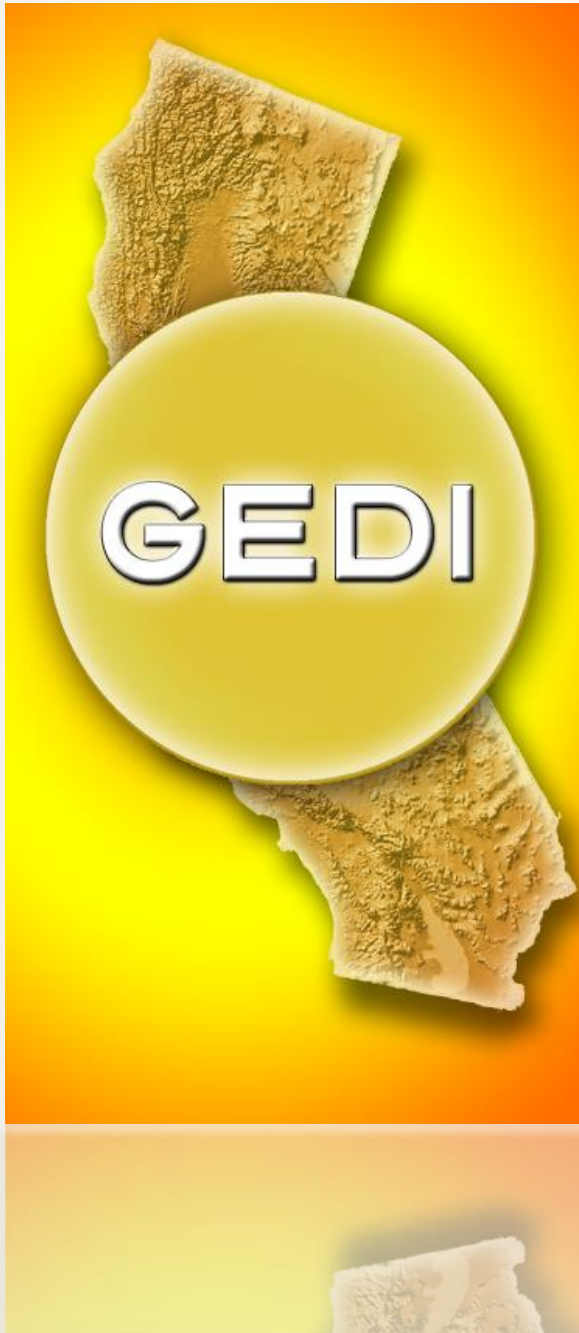
25% of the credit must go towards small business. Which means we need LOCAL partners.





GEDI UPDATES

- New Employment Credit FAQs are available at https://www.ftb.ca.gov/businesses/Economic_Development_Incentives/index.shtml
- New Employment Credit designated geographical area maps will be available soon
- FTB will have a reservation system for the New Employment Credit in place on January 1, 2014. Check their FAQs for updates as it gets closer.
- Sales Tax Exemption FAQs are available at http://www.boe.ca.gov/sutax/manufacturing_exemptions.htm#page=Overview



More information...

To be added to our list email us @
cacompetes@gov.ca.gov

Details on all workshops are
available @ www.business.ca.gov

