





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?





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 LAMBRA



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.



CA COMPETES TAX CREDIT



San Diego Regional Award Snapshot

41 Companies Have Received an Award

Total Net Increase in Jobs: 7170

Total Capital Investment for the Region: \$1.89 Billion

Total Tax Credits Awarded in the Region: \$31.2 Million

San Diego City

28 Companies Have Received an Award



CA COMPETES TAX CREDIT

San Diego City Examples

Information Technology

iBoss

Underground Elephant

Maritime

BAE Systems

NASSCO

Craft Brewing

Modern Times

Council Brewing



CA COMPETES TAX CREDIT

San Diego City Examples

Life Sciences

Ajinomoto Pharmaceuticals

LCMS Solutions

Small Businesses

L.B. Powers & Son Plumbing, Co.

Pantek Partners, LL



ADDITIONAL INCENTIVES AND PROGRAMS

Ibank (Infrastructure and Economic Development Bank)

Research and Development Tax Credits

Employment Training Panel

California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA)



Economic Development and Infrastructure Supports

California – Mexico Business and Trade
MOU

Go Global San Diego

Other Priorities for the City



