

## FASTTRACK GRANTS

### Job Training Assistance Program

## BENEFIT

Grants provided directly to new or expanding companies to support the training of net new full-time employees.

## ELIGIBILITY

Funds disbursed for eligible, new positions created and retained in accordance with program guidelines. TNECD cannot reimburse for positions filled prior to the execution of a contract without prior approval.

### Economic Development Fund

Grants provided to local communities to reimburse companies for eligible expenditures such as real property acquisition, new construction and building retrofit.

Used only in exceptional cases where a company's impact on a community—measured by new job creation, capital investment or wages—is deemed significant.

### Infrastructure Development Program

Grants provided to local governments for public infrastructure improvements on behalf of new or expanding companies. TNECD will work with local officials to identify eligible improvements such as water, sewer, gas, electric and other related infrastructure needs.

Intended for public infrastructure improvements tied to projects where one or more companies commit to new job creation and capital investment. Local matching funds are required and the community must provide a Payment in Lieu of Taxes (PILOT) on real property for at least five years.

### Bonus Incentive

**At-Risk Counties:** 35% premium applied to projects that locate or expand in counties designated as “at-risk” by the Appalachian Regional Commission.

**Distressed Counties:** 50% premium applied to projects that locate or expand in counties designated as “distressed” by the Appalachian Regional Commission.

To be eligible for either premium, the project's average starting wage must exceed the county median wage. TNECD reserves the right to approve or deny the premium based on the circumstances of the project.

## TAX CREDITS & EXEMPTIONS

### Job Tax Credit

Credit of \$4,500 per position to offset up to 50% of franchise and excise (F&E) tax liability with a carry forward for up to 25 years for any unused credit.

Create at least 25 net new full-time positions within a 36-month period and invest at least \$500,000 in a qualified business enterprise.

Community Resurgence Job Tax Credit: Credit of \$2,500 per position for companies locating or expanding in a qualified census tract.

Create at least 10 net new full-time positions paying at least the state's average occupational wage in a census tract where the poverty rate exceeds 30%.

### Enhanced Job Tax Credit

Provides additional annual credits for companies locating or expanding in designated Tier 2, Tier 3 or Tier 4 Enhancement Counties. Credits can offset up to 100% of F&E tax liability.

**Tier 2:** Standard Job Tax Credit plus an additional \$4,500 per position annual credit for three years with no carry forward.

Create at least 25 net new full-time positions within a 36-month period and invest at least \$500,000 in a qualified business enterprise.

**Tier 3:** Standard Job Tax Credit plus an additional \$4,500 per position annual credit for five years with no carry forward.

Create at least 20 net new full-time positions within a 36-month period and invest at least \$500,000 in a qualified business enterprise.

**Tier 4:** Standard Job Tax Credit plus an additional \$4,500 per position annual credit for five years with no carry forward.

Create at least 10 net new full-time positions within a 36-month period and invest at least \$500,000 in a qualified business enterprise.

## Industrial Machinery Tax Credit

### BENEFIT

Credit of 1% of the purchase, third-party installation and repair of qualified industrial machinery. Credit offsets up to 50% of F&E tax liability with a 25-year carry forward for any unused credit.

### ELIGIBILITY

**Manufacturing:** Machinery, apparatus and equipment with parts, appurtenances and accessories, repair parts and third-party installation and labor.

**Warehousing and Distribution:** Material handling equipment and racking systems with a minimum capital investment of \$10M within 36 months.

**Headquarters and Call Centers:** Computer systems, network equipment, software and peripheral computer devices purchased in making required capital investment for job tax credit.

**Research and Development:** Equipment necessary to and primarily used for research and development activities.

## Sales & Use Tax Exemptions or Credits

**Manufacturing:** Exemptions include industrial machinery, repair parts and industrial supplies used in the manufacturing process. Credits include a reduced tax rate of 1.5% on water, gas, electricity and various other energy sources depending on use.

Must be registered as a qualified manufacturing facility.

**Headquarters:** Sales tax credit of 6.5% for qualified personal property directly related to the new full-time job creation.

\$10M+ capital investment and 100+ net new full-time positions each paying 150% of the state's average occupational wage.

**Warehouse and Distribution:** Sales tax exemption for material handling equipment and racking systems purchased for a qualified warehouse or distribution center.

Minimum capital investment of \$10M within a three-year period.

**Call Centers:** Sales tax exemption on interstate telecommunication and international telecommunication services used in the operation of one or more qualified call centers.

Must have at least 250 positions engaged primarily in call center activities.

**Data Centers:** Sales tax exemption for certain hardware and software purchased for a qualified data center.

Minimum capital investment of \$100M within a three-year period and at least 15 net new full-time positions each paying 150% of the state's average occupational wage.

**Research and Development:** Sales tax exemption on equipment necessary to and used primarily for research and development purposes.

Must be registered as a qualified research and development facility.

FastTrack Grants are discretionary, and TNECD reserves the right to approve or deny based on the facts and circumstances of each project. Grants may be subject to terms of an Accountability Agreement executed by the state, the company and the community (where applicable) and will not be disbursed prior to the execution and approval of a contract.

A net new full-time job is defined as a position averaging at least 37.5 hours per week, maintained for 12 months, with health coverage offered.



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