



Business Incentives

A range of local and state incentives are available to qualifying companies in the Houston Northwest area to support new, expanding and relocating companies.

- **Skills Development Fund** grants are available to provide customized training for community colleges. This fund assists businesses and trade unions by financing the design and implementation of customized job training projects. (www.twc.state.tx.us/svcs/funds/sdfintro.html)
- **Skills for Small Business Grants** is an opportunity offered through the Texas Workforce Commission for businesses with fewer than 100 employees to fund training offered at the local community college. (www.twc.state.tx.us/svcs/funds/ssb.html)
- **Texas Enterprise Fund** allows the Governor, with approval of the Lt. Governor and Speaker of the House, to award cash grants for economic development, infrastructure development, community development, job training programs and to provide business incentives to companies relocating or expanding in the state. The TEF is the largest 'deal-closing' fund in the nation intended to attract business and jobs to Texas and more than \$200 million is available in the 2010-2011 biennium. (http://governor.state.tx.us/ecodev/financial_resources/texas_enterprise_fund)
- **Texas Emerging Technology Fund (ETF)** was created to provide Texas with an unparalleled advantage in the research, development and commercialization of emerging technologies. Priority is given to emerging technology projects that will enhance Texas' global competitiveness that are collaborative and leverage both critical expertise and financial resources. The ETF has an allocation of \$203.5 million available for the 2010-2011 biennium for emerging scientific or technology projects, emerging technology grant matching and the acquisition of research superiority. (<http://governor.state.tx.us/ecodev/etf>)
- **Tax Abatement** agreements that exempt part of the increased value in real or personal property from taxation for a period not to exceed 10 years. The terms of the agreement and the minimum thresholds vary among the taxing jurisdictions. (www.csd.hctx.net/edah_taxabatment.aspx)
- **Freeport Tax Exemption** offered in the Aldine, Cy-Fair, Klein, and Spring school districts exempting ad valorem property taxes for any inventory exported outside the state within 175 days. Freeport property includes goods, wares, and merchandise.



- Businesses engaged in manufacturing, processing, fabricating or repairing tangible equipment enjoy a **Manufacturing Sales Tax Exemption** on the purchase of machinery or equipment used or consumed in or during the actual manufacturing, processing, or fabrication of tangible personal property for ultimate sale if the use or consumption of the property is necessary or essential to the manufacturing, processing, or fabrication operation. (www.smarttaxusa.com/texas-state-manufacturing-exemptions.html)
- Companies that use more than 50 percent of their utilities in the manufacturing, processing, or fabricating of products for resale may apply for a **Sales Tax Exemption on Utilities**. The sales exemption applies to all utilities purchased through a single point of delivery as long as the utilities are predominately used to manufacture, process, or fabricate the product.
- **Pollution Control Property Tax Abatements** are available to companies with facilities, devices and equipment used to control air, water or land pollution. Companies wishing to apply for tax relief for their efforts in controlling pollution can apply for a positive use determination from the Texas Commission on Environmental Quality (TCEQ). (www.tceq.texas.gov/assets/public/implementation/tax_relief/rg461_program_guidelines.pdf)
- Some manufacturing businesses may qualify for low-interest bond financing of up to \$10 million through the state's **Industrial Revenue Bond** program. This allows cities, counties, conservation and reclamation districts to form non-profit industrial development corporations (IDCs) or authorities on their behalf. The purpose is to provide bonds for project within their jurisdictions. (http://governor.state.tx.us/ecodev/financial_resources/loan_assistance)
- **New Markets Tax Credit** program is designed to encourage private sector investment in low-income communities by providing tax incentives to the private sector investor. Qualified businesses located in a distressed community may receive loans or equity through this program.
- **Texas Manufacturing Assistance Center (TMAC)** was designed to help Texas small manufacturing companies remain competitive in the ever changing global marketplace. The TMAC Center provides **technical assistance** at a discounted rate for process improvements, environmental regulations upgrades, changes in the technology and the marketplace. (www.tmac.org)
- **The Small Business Development Centers (SBDCs)** provide professional business consultants to help with business strategy, financing options, loan package preparation and other programs and resources. (www.lonestar.edu/sbdc)
- **Tuition Waivers** provide out-of-state tuition rates for companies that create jobs for which they must recruit employees from outside of Texas to be used at state colleges and universities for those relocating employees and their family members.