Ohio Tax

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Ohio Tax & Jobs 2017...
Significant Developments in JobsOhio, Economic Incentives & Tax Credits

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Principal
Ernst & Young LLP
Columbus

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10:00 a.m. to 12:15 p.m.

Biographical Information

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Paul A. Naumoff is a Tax Principal and leader of the Location Investment, Credits & Incentives practice in Ernst & Young LLP's Indirect Tax practice. Paul also serves as the Global and Americas Tax Leader, Sustainability Tax Services. . Prior to joining EY in 1995, Paul worked for two years as a law clerk with the Ohio Board of Tax Appeals.

State & Local Economic Development

Over Paul's 21-year career with Ernst & Young LLP, he has worked with corporate and individual investors on a full range of economic development services, including site and location analysis. EY services provided include reporting market and labor demographics; site selection; analyzing economic impacts and state and local tax burdens; securing federal, state and local business and tax incentives and credits;. Paul has broad experience in the retail, distribution, manufacturing, financial services, energy, biotech, clean technology and logistics industries and has worked projects with more than 30 states. As leader of the firm' Location Investment, Credits and Incentives practice, Paul leads a national network of more than 200 location investment advisory, business incentives and credits professionals whose state and local business incentives knowledge comes from their collective experience on more than 1,000 economic development incentives and credits engagements covering 44 states and nearly every major city

Federal Economic Development

In Paul's prior EY role as National Director of Tax Credits Investment Advisory Services, Paul assisted clients to document federal tax credits and deductions, apply for discretionary federal tax incentives and credits which require approval by the federal government and provided tax advice related to investments in federal tax credits. This includes work with New Markets Tax Credits, Affordable Housing Tax Credits, Historic Rehabilitation, Work Opportunity, Empowerment Zone, Renewable Energy tax credits and several other industry specific federal tax credits and grants. Paul's team also advises on tax credit transactions that help clients monetize tax credits or reduce their effective tax rate via acquisition of transferable tax credits.

Sustainability Tax

As Ernst & Young's sustainability leader for tax, Paul leads project teams throughout the globe that work with clients interested in energy efficiency and carbon reduction initiatives, renewable energy production and the development and manufacture of efficient and/or less carbon intensive products. Paul also assists clients in understanding and complying with a myriad of environmental taxes and carbon taxes. Paul helps clients execute upon their sustainability strategies in a cost and tax efficient manner. This includes identifying and securing federal and state tax credits and incentives, utility incentives and grants for energy efficiency initiatives, renewable energy production, innovative products manufacturing, and investments in carbon offsets. Paul also assists clients with LEED certification of energy efficient buildings and obtaining associated tax incentives and credits, as well as documentation and quantification of Sec. 179D tax deductions. Paul assists clients in modeling financial and tax benefits of investing in renewable energy sources and energy efficient assets to demonstrate the resulting reduced payback period and improved return on the investment. He also advises clients related to the expanding number of jurisdictions where carbon taxes are being implemented across the globe.

Community

Paul is a frequent speaker at national conferences for tax practitioners and administrators, sustainability officers, energy consultants and other industry groups on the topics of business taxation, federal, state and local grants and incentives, sustainability incentives and other aspects of economic development. Paul, his wife Jennifer and their four children reside in New Albany, Ohio where Paul is a member of the New Albany Plain-Local Schools Board of Education. Paul and family currently or in recent past have enjoyed being actively involved with LifeCare Alliance where Paul is a Board Member. Paul is a founding Board Member of New Albany Charity Run, Inc. which hosts the premier Thanksgiving Day Run in Central Ohio – the "Thanks For Giving 4 miler." This all volunteer grass roots event attracts thousands of participants each year and all proceeds go to charity.

Economic Incentives and Tax Credits Developments

Paul Naumoff, Ernst & Young LLP

Principal, National Director Tax Credits and Incentives Advisory Services

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Today's Agenda

- Legislative and Program Updates
  - Overview of Ohio Tax Credits and Incentives
  - Developments in Ohio Incentives
- Policy Update
  - JobsOhio Updates
  - JobsOhio Policy Focus – Role of Incentives in Ohio
  - Historical Trends – Role of Incentives in Ohio
  - What is Ohio winning?
- Current Economic and Political Issues
  - What is Next?

Ohio and Local Communities Offer Incentives in Four Major Areas

Overview of Ohio Incentives

Job creation and retention

- Ohio Job Creation Tax Credit (JCTC)
- Ohio Job Retention Tax Credit (JRTC)
- Local Job Creation Credit/Grant

Capital investment

- Enterprise Zones
- Community Reinvestment
- New Market Tax Credit
- Historic Rehabilitation Credit
- Loan Programs
- Motion Picture Credit
- Tax Increment Financing

Job training

- Ohio Incumbent Worker Training Grant
- Ohio Workforce Training Grant

Innovation

- Research and Development Credit
- Research and Development Grant
- Research and Development Sales Tax Exemption
- Research and Development Loan Fund

New Incentive Program

- **JobsOhio Research and Development Grant**
  - **Potential Value:**
    - $50M in total funds available
    - Applications are approved on a rolling basis until all funds have been issued
  - **Requirements:**
    - The applicant must have a minimum of five years operating history
    - Must have revenue greater than $10M
    - A center must represent at least $3M in new cash investment.
    - The project needs to be a Qualified Research Expenditure as defined by JobsOhio

Legislative Developments in Ohio Incentives – Updates

- **Ohio Incumbent Workforce Training Grant**
  - **Overview:**
    - Provides a customized training grant of up to $75,000 to eligible companies that retain jobs for current workers.
  - **Update:**
    - Companies that received assistance in FY 15 who utilized 33% or less of their award amount were <u>not be eligible for assistance in FY 17.</u>
    - An applicant, including its affiliated entities was only about to submit one application.
    - The grant application closed October 14th with $6.9M being awarded.
    - The program continues to centralize it's qualifying factors.
  - **Note:**
    - At the moment, the grant is not in the state's budget for next year. More information will be available in March 2017.

Legislative Developments in Ohio Incentives – Updates

- Motion Picture Tax Credits
- Changes Effective July 2016

Legislative Developments in Ohio Incentives – Updates

- Motion Picture Tax Credits, Continued
  - A $5,055,805 tax credit was approved for the Fast & Furious 8 movie.

  - During the last summer, second unit shooting wrapped up in Cleveland for Universal's "Fast & Furious 8," which was expected to create more than 380 direct jobs for Ohioans, book almost 9,000 hotel room nights and engage over 200 Ohio businesses for a range of goods and services.

    – WKYC News

JobsOhio Update

- Three major initiatives will move the organization forward over the next two years:
  - SiteOhio Program
  - Talent Management Program
  - JobsOhio Research and Development Grant

JobsOhio Update – SiteOhio Program

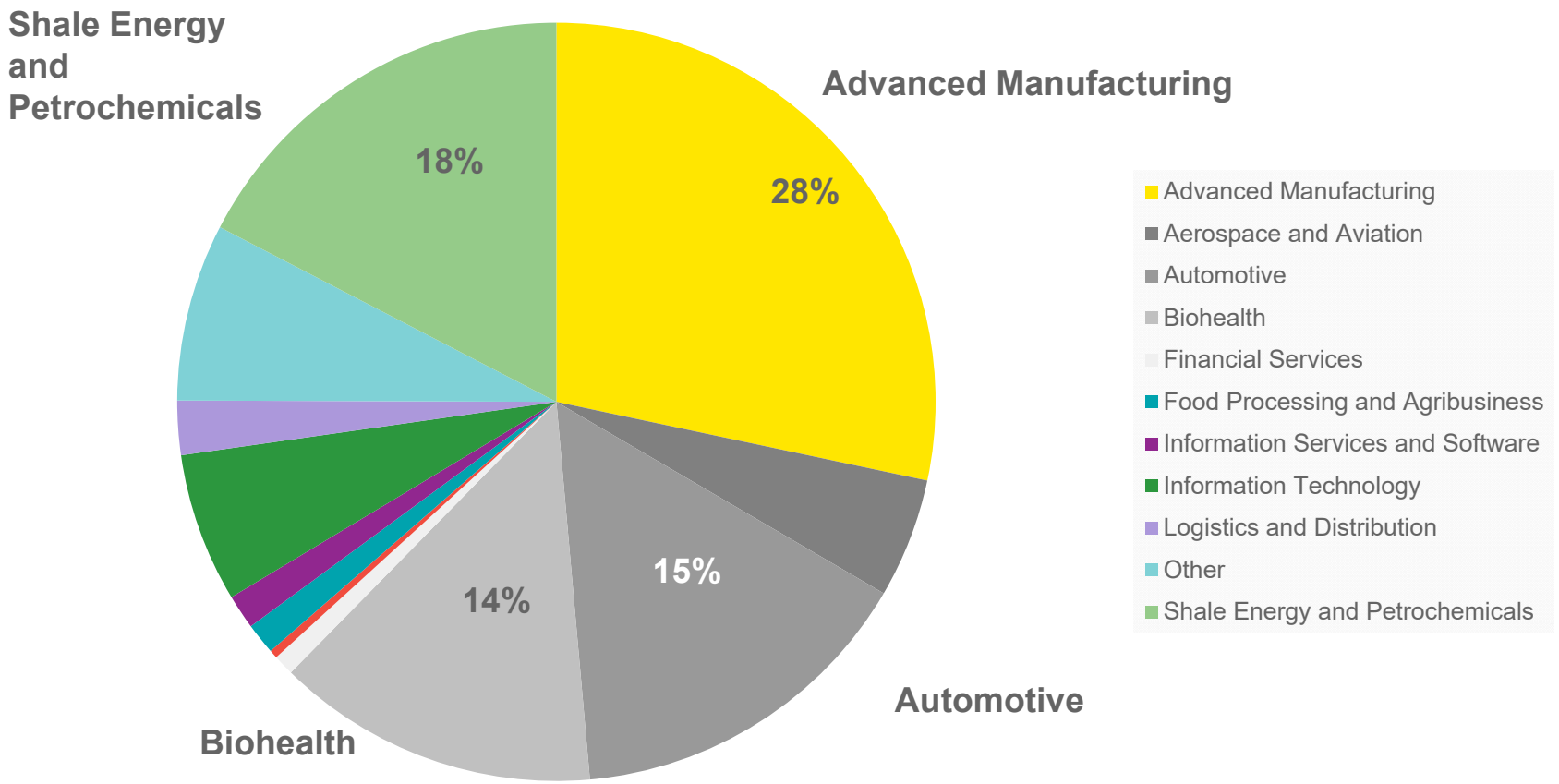
Photo Source: ugclimbing.com

JobsOhio Update – Talent Management Program

Image Source: http://leapcs.ca/talent-management/

Total Incentives for 2016 by Industry Breakdown

Detailed Top 4 – Data from JobsOhio Monthly Reports



Source: JobsOhio monthly reports

What is Ohio Winning?

- **Top 5 Ohio Projects of 2016 (By Capital Investment):**
  - Sofidel America Corporation
  - Amazon.com
  - Advice Manufacturing Ohio, Inc.
  - Dana Light Axle Manufacturing, LLC
  - Luk USA LLC
    - Source: JobsOhio monthly reports

Photo Source: Dispatch.com

JobsOhio Policy Focus – Role of Incentives in Ohio

- Continued focus on maintaining a strong relationships with existing Ohio companies.
  - Around 80% of the total capital investment through Q3 has come from existing Ohio companies.

Job Creation and Investment	YTD through Q3 2015	YTD through Q3 2016	Percentage Increase (Decrease)
Total # of Projects	233	195	(16.3%)
New Jobs (committed)	14,480	13,435	(7.2%)
Total Jobs (including retained)	46,248	52,999	14.6%
Total Jobs Payroll (including retained)	$2.3 B	$2.6 B	13%
Capital Investment (committed)	$4.6 B	$3.1 B	(32.61%)

Current Economic and Political Issues

What is next?

Building a better working world

What is next?

- Potential impact of federal tax reform on state budgets?
- Carrier situation?
- Repatriation: potential impacts on capital expenditures?
- Potential for new tax credits?
- Impact on discretionary incentive programs?
- Ohio's tax and economic development competitiveness?

Current Economic and Political Realities

- The House GOP Tax Plan released in 2016 has several Business Income Tax changes.

Picture Source: http://charitylawyerblog.com/2012/06/07/arizonastransaction-privilege-tax-how-it-applies-to-nonprofits/

Potential impact of federal tax reform on state budgets

- The overall goal of tax reform is to lower the rate while broadening the base so that the result ends up being revenue neutral.
- If states adopt the new structure, which is not guaranteed as each state may be impacted differently based on the make-up of the companies in their state, they would have a broader base upon which to apply their tax rate.
- It is likely that states do not cut the state tax rate proportionally to the cut at the federal level. If that tactic is employed by states they may see increased revenue which can be utilized to close deficits and/or provide additional economic development programs to improve the states competitive position within the U.S.
- A concern remains that in getting the federal budget to a revenue neutral positions, programs which send funds to the state will be cut and/or Federal programs maybe cut which will require increased state expenditures to maintain the same level of service.
- As such even once Federal Tax Reform is settled there may likely be a number of years where we see a ripple effect at the state level as each state will have to deal with the budgetary results along with decide whether or not to implement tax reform of their own.

Carrier Situation

- Maybe a one off occurrence since the plant was in Indiana, Mike Pence's home state. We haven't seen similar approaches when Trump has dealt with GM and Ford.
- A Carrier approach may not sustainable and likely not palatable to those opposed to the government "picking winners and losers."
- It does demonstrate Trump's desire to "make a deal" and the fact that he is not opposed to incentives.

Repatriation: impacts on capital expenditures?

- The goal of repatriation is to encourage multinational companies headquartered in the U.S. to bring foreign-earned income back into the U.S. by assessing a lower tax rate on the income when it is brought back.
- Last repatriation in 2004 saw over $300 billion in income brought to the U.S. from foreign subsidiaries. Companies indicated they would put such funds toward financing capital spending, paying down debt, R&D, venture capital, and acquisitions.
- Repatriation of foreign-held earnings typically comes with requirements to invest in U.S. domestic operations to encourage job creation and economic growth.
- Combined with potential for imposing new tariffs on imports, enhanced reasons for future investment domestically.

Potential for new state tax credits?

- Federal tax reform could drive a resurgence of state tax credits, similar to after the1986 tax reform.
- State deviation from a federal tax reform could leave states with a taxation revenue increase, opening the door for expanded/new tax credits.
- Policy proposal will attempt to diminish foreign investment and foreign job creation and spur redevelopment in the U.S.
- States will need to compete with one another through investment, job creation, R&D, and other targeted industry targeted growth by offering an increasing number of targeted tax credits.

Impact on discretionary incentives?

- Although politicians in the Capitol are calling for the repeal of most Federal tax credits, we have not yet heard states echo similar plans.
- Repatriation of funds and the prospect of heavy tariffs on imports have the potential to encourage states to compete more aggressively for the anticipated increase in business investment making its way back to the U.S.
- Potential increase in domestic investment because companies have more available cash. States stand to benefit by recognizing that a potentially massive one-time investment is likely to have a significant impact on U.S. corporations and domestic operations for the next 5-10 years to come.
- May be in the states best interest to compete for this business investment though creation and execution of discretionary incentive programs.
- Potential state tax revenues resulting from broadening of the income tax base may also lead to more funds available for state discretionary program.

Competitiveness of Tax Climate in Ohio

JobsOhio Investing in Ohio Guide 2016-2017

- Ohio's small business tax climate ranks 8th in the country
  - No corporate income tax
  - No capital gains tax
  - US $5 billion in tax cuts in the last 5 years
  - New business filings have continued to increase for the 6th year in a row.
  - From 2010-2015 there has been a 21.8% increase.

Source: Jobs-Ohio.com/taxes

Historical Trends – Role of Incentives in Ohio

- Since tax reform in Ohio, and under previous policies of utilizing incentives, the State performed well in terms of attracting capital investment and jobs.
- Ernst & Young 2016 US Investment Monitor tracks mobile capital investment during 2015.
  - Ohio ranked high in both capital investment and announced jobs from 2005-2015.
  - Rank for 2016 has not been determined.

	2013	2014	2015	2016
Ohio Capital Investment (Rank)	5	5	6	?
Ohio Project Announcements (Rank)	2	2	2	?
Ohio Job Creation Announcements	5	3	3	?

What can we take away?

- Ohio's incentives continue evolve
- JobsOhio's focus has shifted as entering next phase
- Outcomes of Tax Reform and federal policy proposals could create uniquely positive climate for U.S. Investment.
- Is Ohio ready to capitalize?

Thank you

For your participation and feedback!

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working world

26th Annual Ohio Tax Conference
Paul Naumoff, Ernst & Young LLP
Principal, National Director Tax Credits and Incentives Advisory Services
January 24th, 2017
10:00 A.M. EST
Economic Incentives and Tax Credit Developments

I. Agenda

a. Overview of Ohio Tax Credits and Incentives

b. Developments in Ohio Incentives – New Programs and Updates

c. JobsOhio Updates

d. JobsOhio Policy Focus – Role of Incentives in Ohio

e. Historical Trends – Role of Incentives in Ohio

f. What is Ohio winning?

g. Competitiveness of Tax Climate in Ohio

h. Ohio, on the verge of a recession?

i. Repatriation tax holiday, a failed policy or a valuable blueprint?

j. Destination Based Cash Flow Tax vs. Corporate Income Tax

II. Overview of Ohio Tax Credits and Incentives

1. Job Creation & Retention

   a. Ohio Job Creation tax Credit (JCTC)

   b. Local Job Creation Credit/Grant

   c. Ohio Job Retention Tax Credit (JRTC)

2. Capital Investments

a. Enterprise Zone Investment Property Tax Abatement

b. Community Reinvestment Tax Exemption

c. New Market Tax Credit

d. Historic Rehabilitation Credit

e. Loan Programs

f. Tax Increment Financing

3. Innovation

a. Research and Development Tax Credit

b. Research and Development Sales Tax Exemption

c. JobsOhio Research and Development Grant

d. Research and Development Loan Fund

4. Job Training

a. JobsOhio Workforce Training Grant

b. Ohio Incumbent Worker Training Grant

III. Job Creation & Retention

1. Ohio Job Creation Tax Credit (JCTC)

a. Potential Value:

1. Up to 75% refundable credit based on an agreed-upon percentage of the taxpayer's Ohio resident employee payroll less the baseline Ohio payroll

2. Credit is applied against a taxpayer's Commercial Activity Tax, insurance premium tax, Ohio corporate franchise tax or an individual's Ohio personal income tax obligations

3. This credit may apply for period of up to 15 years

2. Local Job Creation Credit/Grant

a. Potential Value:

i. Generally, a credit or grant benefit, depending upon investment and new payroll

3. **Ohio Job Retention Tax Credit (JRTC)**

a. Potential Value:

i. Up to 75% credit based on a percentage of the taxpayer's Ohio Income Tax withholdings, which could include nonresidents working in Ohio

IV. Capital Investment

1. Enterprise Zone Investment Property Tax Abatement

a. **Potential Value:**

i. In municipalities, real property tax abatement of up to 75% for up to 10 years

ii. In unincorporated areas, real property tax abatement of up to 60% for up to 10 years

iii. Maximum abatement levels may be exceeded with approval of the local school board. May be up to 100% exemption for up to 15 years

b. Requirements:

i. Must expand or relocate within designated enterprise zone & make a significant investment in new projects

ii. Expansion investment that equals at least 10% of the value of the existing facility

iii. Renovation investment that equals at least 50% of the market value of the facility prior to expenditures

iv. Vacant Facility Investment for a company willing to occupy a vacant facility and make an investment of at least 20% of the facility's value to alter or repair the facility

4. **Community Reinvestment Tax Exemption**

   a. **Potential Value:**

      i. Tax exemption of up to 100% on real property investment improvement value for a period of up to 15 years

   b. **Requirements:**

      i. Abatement established by the local government to incentivize investment in specific areas to encourage growth

5. **New Markets Tax Credits**

   a. **Potential Value:**

      i. Investors receive a 39% tax credit over seven years for an investment in a qualified low-income community business through work with Community Development Entities (CDEs)

         1. Potential A nonrefundable tax credit

            a. If an investor redeems a NMTC investment before seven-year term has run its course, all Credits taken to date will be recaptured with interest

         2. Tax credit equal to a designated percentage of the adjusted purchase price of the investment

         3. The tax credit is realized over a seven-year period, 5 percent annually for the first three years and 6 percent in years four through seven

         4. Ohio Department of Development may issue up to $10M annually

   b. **Requirements:**

i. Investment can only be made in designated low-income communities

1. Poverty rate of 20% or more, or a median income below 80%, of whichever is greater – statewide median income or metropolitan median income

ii. Must apply for funding - Application to be released in Spring 2017

6. **Historic Building Rehabilitation Credit**

a. **Potential Value:**

1. A 25% tax refundable credit for the costs associated with significant building rehabilitation on qualified structures. Up to $3M may be refundable per year with an overall yearly cap of $5M unless the project is approved as a catalytic project. Then it may be eligible for up to a $25M credit
2. If eligible, the project may also seek the federal historic preservation tax credit valued at 20% of qualified expenditures
3. The tax credit can be applied to applicable financial institutions, foreign and domestic insurance premiums or individual income taxes
4. Applicants that complete their project and receive a tax credit certificate with an effective date prior to June 30, 2017 can apply the tax credit against applicable commercial activity taxes

b. **Requirements:**

1. Must be qualified structures as classified as one of the following:
    a. It is individually listed on the National Register of Historic Places
    b. Contributes to a National Register Historic District, National Park Service Certified Historic District, or Certified Local Government historic district
    c. Listed as a local landmark by a Certified Local Government

d. Catalytic projects are defined as large-scale rehabilitation projects that will foster significant economic development and eligible to receive up to $25 million in tax credits.

e. Only 1 catalytic project may be funded during each 2-year state budget cycle

2. Qualified Rehabilitation Expenditures (QREs) defined:

a. Are expenditures related to the structural components of the historic building, as defined for the Federal Historic Preservation Tax Credit program

b. Soft costs such as architect and engineering fees also qualify

c. Loan Programs

d. Tax Increment Financing

V. Innovation

1. Research and Development Investment Tax Credit

a. Potential Value:

i. A credit of 7% of the excess amount of Qualified Research Expenses

ii. Applied against a company's Commercial Activity Tax

iii. Unused credit can be carried forward for up to 7 years

b. Requirements:

i. Must invest in Qualified Research Expenses and exceed the annual average investment in Qualifying Research Expenses for the three previous taxable years

ii. "Qualified Research Expense" is defined in ORC Section 41

2. Research and Development Sales Tax Exemption

a. Potential Value:

i. Tax exemption up to entire state and county sales tax liability for purchase of qualified machinery and equipment

b. **Requirements:**

i. Research must be scientific or technological inquiry

ii. Must apply to Ohio Department of Taxation for Exemption Certificate

c. **Details:**

i. Exemption applies to machinery and equipment included in research and development activity in direct and pure research

ii. Direct research is any research conducted to create, develop, or formulate a better product

3. **JobsOhio Research and Development Grant**

a. **Potential Value:**

i. There is $50 M in total funds available

ii. Applications are approved on a rolling basis until all funds have been issued

b. **Requirements:**

i. The applicant must have a minimum of 5 years operating history

ii. Must have revenue greater than $10M

iii. A center must represent at least $3M in new cash investment

iv. The project needs to be a Qualified Research Expenditure as defined by JobsOhio

4. **Research and Development Loan Fund**

a. **Potential Value:**

i. The R&D fund typically finances between 20% to 40% of a project's allowable costs, with loans ranging from $500K to $5M

ii. Capped at $150,000 credit a year

b. **Requirements:**

i. Project costs include the following types of investments, which are being used for research and development:

1. Purchase of land and/or building
2. Purchase of machinery and equipment
3. Building construction and/or renovation costs
4. Long-term leasehold improvements
5. Purchase of an ongoing business' fixed-assets

VI. Job Training

1. JobsOhio Workforce Training Grant

a. **Potential Value:**

i. Reimbursement-based grant

ii. Grant awards are based on a number of project factors, including job creation, additional payroll, fixed-asset investment commitment, project return on investment, and project location

b. **Requirements:**

i. Requires supporting documentation for reimbursement

2. Ohio Incumbent Worker Training Grant

a. **Potential Value:**

i. Provides a customized training grant to eligible companies that retain jobs for current workers

1. Up to $75,000 per entity

b. **Requirements:**

i. Employee must be directly employed by the company at a facility located within Ohio and meet a set of requirements including earning an hourly wage of at least 150% of the federal minimum wage

c. **Update:**

ii. Program opened on October 14th at 10am

iii. The grants are awarded on a first come first serve basis

iv. There are specific regulations on what types of training qualify

v. Soft skills including management, marketing, and other general courses, as well as required professional continuing education courses will not qualify

vi. Computer skills and job required courses will qualify

vii. Two changes were made to the program this year:

1. Companies that received assistance in FY 15 who utilized 33% or less of their award amount will not be eligible for assistance in FY 17

2. An applicant, including its affiliated entities may only submit one application

VII. Developments in Ohio Incentives – Including New Programs and Updates

1. JobsOhio Research and Development Grant

a. **Overview:**

i. Provides $50M in funding to support the development and commercialization of emerging technologies in Ohio

b. **Requirements:**

i. The applicant must have a minimum of 5 years operating history

ii. Must have revenue greater than $10M

iii. A center must represent at least $3M in new cash investment

iv. The project needs to be a Qualified Research Expenditure as defined by JobsOhio

2. **Ohio Incumbent Workforce Training Grant**

a. **Overview:**

i. Provides a customized training grant of up to $75,000 to eligible companies that retain jobs for current workers

b. **Update:**

i. Companies that received assistance in FY 15 who utilized 33% or less of their award amount will not be eligible for assistance in FY 17

ii. An applicant, including its affiliated entities may only submit one application

3. **Motion Picture Tax Credits**

a. **Overview:**

i. Refundable tax credit of 30% of the production company's qualifying media project expenditures in Ohio

b. **Update:**

i. Total credit has been doubled. $40 million may now be claimed as a refundable credit per fiscal year instead of per biennium

ii. $5M cap has been removed

iii. The tax credit is now transferrable

iv. All the changes to the existing tax credit would be effective for tax credits issued on or after July 1, 2016

VIII. Additional Programs

1. **Tax Credit Incentives**

a. Qualified Energy Project Tax Exemption

b. Community Reinvestment Areas

c. Volume Cap

d. State Small Business Credit Initiative

e. Ohio Data Center Tax Abatement

f. Diesel Emissions Reduction Grant

g. State Energy Program

h. Conversation Facilities Tax Exemption

i. Ohio Coal Research and Development Program

j. Ohio Capital Fund

k. Technology Investment Tax Credit Program

2. Loan and Bond Programs

a. Innovation Ohio Loan Fund Servicing

b. Energy Loan Fund

c. Ohio Minority Business Direct Loan Program

d. Ohio Minority Business Bonding Program

e. Brownfield Revolving Loan Fund

f. Ohio Enterprise Bond Fund

g. 166 Direct Loan

h. Regional 166 Direct Loan

i. Tax Increment Financing

3. Business Grant Programs

a. Ohio Job Ready Sites Program

b. Economic Development Grants

c. Alternative Fuel Transportation Program

d. Community Investment Funds

e. Roadwork Development (629)

4. Additional Incentives and Tools

a. JobsOhio Growth Fund

b. The Advanced Manufacturing Program Grant

c. The Alternative Fuel Transportation Program

d. InvestOhio

e. Business Incentive Grant Servicing

f. Alternative Stormwater Infrastructure Loan Program

g. Collateral Enhancement Program

h. Economic Development Grant Servicing

i. Lakes in Economic Distress Program

j. Ohio Capital Access Program

k. Ohio Venture Capital Authority

l. Site Selection Assistance

m. Microenterprise Business Development Program

n. Ohio Capital Fund

o. Career Exploration Internship Program

p. Appalachian Training Investment Partnership Program

q. OhioMeansJobs.com

r. Ohio Business Gateway

s. Appalachian Regional Commission

t. Appalachian Regional Commission's Federal Access Road Program

u. Rapid Response Fund

v. Ohio Capital Access Program

IX. JobsOhio Update

a. **Three major initiatives will move the organization forward over the next two years:**

1. SiteOhio Program
2. Talent Management Program
3. JobsOhio Research and Development Grant

X. JobsOhio Policy Focus – Role of Incentives in Ohio

a. There is a continued focus on maintaining strong relationships with existing Ohio companies. Around 80% of the total capital investment through Q3 has come from existing Ohio companies

b. YTD through Q3 of 2016, employment growth in JobsOhio target industries was led by the automotive sector and then followed by the logistics and distribution and advanced manufacturing sectors

XI. Historical Trends – Role of Incentives in Ohio

a. Since tax reform in Ohio, and under previous policies of utilizing incentives, the State performed well in terms of attracting capital investment and jobs

b. Ernst & Young 2016 US Investment Monitor tracks mobile capital investment during 2015

c. Ohio ranked high in both capital investment and announced jobs from 2005-2015

d. Rank for 2016 has not been determined

	2014	2015
Ohio Capital Investment (Rank)	**5**	**6**
Ohio Project Announcements (Rank)	**2**	**2**
Ohio Job Creation Announcements	**3**	**3**

XII. Ohio's Tax Competitiveness

1. JobsOhio Investing in Ohio Guide 2016-2017

a. Ohio's small business tax climate ranks 8th in the country

I. No corporate income tax

II. No capital gains tax

III. US $5 billion in tax cuts in the last 5 years

IV. New business filings have continued to increase for the 6th year in a row. From 2010-2015 there has been a 21.8% increase.

XIII. Closing

a. Ohio's incentives continue to change

b. JobsOhio's focus has shifted as they enter phase 2

c. Observations on the current economic and political realities and impacts on Ohio