GEDI

Governor's Economic Development Initiative

Manufacturing Equipment+ Sales & Use Tax Exemption

Incentive Type	• Sales Tax Exemption
Value of Incentive	• Eliminates California portion of sales tax (4.1875%)
Maximum Annual Amount	• $200 million of equipment regardless of entity type
Getting Incentives	• Benefit immediate - no state tax paid at time of purchase
Business Location	• Anywhere in California
Equipment Qualified for Manufacturing Equipment+ Sales & Use Tax Incentive	• Basic manufacturing equipment PLUS... - Food processing equipment - Manufacturing R&D equipment - Biotech manufacturing equipment - Biotech R&D equipment - Food processing R&D equipment - Addition of necessary tenant improvements (ex: clean rooms for biotech, manufacturing, et al.)

New Employment Credit

Middle Class Wages	• Credit based on wages above 150% of min wage & up to 350% of min wage (or above $10 an hour base in limited pilot areas)
Max Credit Amount	• $63,000 per employee (5-year total, 2,000 hours)
Credit Calculation	• 35% of qualifying wages each year
Employee Qualifications	• Persons unemployed 6 months, veterans within one year of separation, EITC recipients, ex-offenders and recipients of CalWorks or general assistance
Poverty Area Targeting	• Areas based on census tracts with highest unemployment and poverty rates as well as LAMBRAS and current enterprise zone boundaries (excluding wealthy areas)
Retroactive Availability	• No retroactive availability
Credit to Replace Current Employees	• Employer gets credit only for increasing jobs
Incentive Transparency	• Tax credit info will be publicly posted on FTB webpage

California Competes Credit

Incentive Type	• Income tax credit negotiated between GO-Biz and businesses that want to come to California or stay and grow in California
Amount of Credit	• Credit amount depends on several factors including: - The number of jobs the business will create or retain and the compensation paid to its employees - The amount of investment in California by the business as well the business' economic impact here - No single business will receive more than 20% of the total amount available.
Business Location	• Location can be ANYWHERE in California
Business Size	• Credit available to both large and small businesses. 25% of available credit each year specifically reserved for small businesses (gross receipts of less than $2M)
Incentive Transparency	• All CC incentive awards will be made public and award information must be posted on the GO Biz web page