

Port-Related Tax Incentives

Port: Portland, ME

Information: Port of Portland

Distribution center, warehouses:

Tax Incentives: no information found

Port: Portsmouth, NH

Information: Portsmouthnh Port Authority

Distribution center, warehouses:

Tax Incentives: (<http://www.nheconomy.com/business-services/financial-other-incentives.aspx>)

- No broad base personal income tax
- No sales tax
- No use tax
- No inventory tax
- No capital gains tax
- No estate tax
- No internet tax
- No professional service tax
- Low corporate income tax

Coos County Job Creation Tax Credit: hiring new employees in Coos County and paying wages equal to or above 200 percent the calendar year minimum wage. The credit is \$1,000 for any new, full-time, year-round jobs applied to the Business Enterprise Tax, but any unused portion of the credit can be applied to the Business Profits Tax

Research and Development Credit: In 2013, the legislature voted overwhelmingly to double - to \$2 million - the research and development tax credit.

Port: Boston, MA

Information: Massport

Distribution center, warehouses: 55 warehouses

Tax Incentives:

Harbor Maintenance Tax Credit (HMTC)

- Applies only to corporate taxes paid to Massachusetts.
- Applies only to containerized and break-bulk cargo and vehicle shipments.
- Cargo must be carried on sea and ocean-going vessels through Massachusetts ports.
- The credit does not apply to the shipment of bulk cargo or passengers.
- The credit applies to Harbor Maintenance Tax assessments made on cargo only relative to their unloading at a Massachusetts port.

The Harbor Maintenance Tax Credit is handled by the Massachusetts Department of Revenue

<http://www.massport.com/port-of-boston/about-port-of-boston/harbor-maintenance-tax-credit/>

Investment Tax Credit (ITC): Manufacturing corporations, business corporations engaged primarily in research and development, or corporations primarily engaged in agriculture or commercial fishing may take a credit against their excise due for property either owned by them or leased pursuant to an operating lease.

(<http://www.mass.gov/dor/businesses/current-tax-info/guide-to-corporate-excise-tax/credits.html>)

HMT, the federal tax created under the 1986 U.S. Water Resources Development Act, is assessed on the value of goods imported and exported through most U.S. seaports. At the rate of \$1.25 per \$1,000 worth of goods, the HMT is a particular burden for the Port of Boston and other Massachusetts ports.

(<http://www.inboundlogistics.com/cms/article/tax-credit-gives-boost-to-boston/>)

Port: Providence, RI

Information: ProvPort

Distribution center, warehouses: -

Tax Incentives:

No specific tax break found for the port.

Rhode Island Industrial Facilities Corporation (RIIFC)

- The Manufacturing Investment Tax Credit allows manufacturers to take a 4% corporate income tax credit for buildings, machinery, and equipment.
- The Enterprise Zone offers tax incentives to business expanding their workforce by 5% at facilities in designated enterprise zones. The tax credit is equal to 50% of the annual wages paid to a new employee, or up to 75% for an employee who resides in the enterprise zone. The maximum credit is \$5000 per employee.

Firms using bond financing programs offered through RIEDC are exempt from the state's sales tax on construction materials and equipment, machinery, computers, and equipment for the facility.

State of RI:

Rhode Island Enterprise Zone Business Tax Credit (R.I. Gen. Laws § 42-64.3)

To increase jobs in state-designated Port of Providence Enterprise Zone

- Business tax credit equal to 50% of annual wages paid to new full-time employees, up to \$2,500 per employee
- Credit increases to 75% for employees who reside in zone
- Business qualifies for 5% credit if it maintains job levels in subsequent years

Eligibility: Businesses creating and maintaining jobs in the zone

Port: New Haven. CT

Information: The New Haven Port Authority

Distribution center, warehouses: -

Tax Incentives:

Connecticut Community Development Incentives

- Business tax credits and five-year state-reimbursed property tax exemptions for developing property for specified business uses in enterprise zones and other statutorily designated areas, including airport development zones
- Business tax credits for starting new corporations in enterprise zones
- Sales tax exemptions for machinery replacement parts for businesses in enterprise zones

Financial assistance:

- Grants to municipalities and, in some programs, regional entities, for developing property for business uses
- Tax incremental bond financing backed by local property or state admission or sales taxes

MULTIPURPOSE BUSINESS INCENTIVES

Tax credits for:

- machinery & equipment
- fixed capital investments

Financial Assistance:

- Loan for new and established businesses for various purposes, including facility construction and machinery and equipment purchases
- Loans for existing and early stage businesses unable to secure bank loans
- Flexible, multipurpose financing for economic base businesses
- Small business loans, grants and other assistance provided under streamlined application process

Project-Specific Incentives

- Business tax credits for:
 - purchasing electronic data process equipment
 - research and development expenditures
 - participating in traffic reduction programs
- Mandatory and local option property tax exemptions for specified renewal energy systems
- Sales tax exemptions for:
 - solar energy electricity generating systems, water or space heating systems, and geothermal resource systems and related equipment and installation services
 - machinery, equipment, and other specified items used in renewable and clean energy technology industries

Facility Development Incentives

Tax credits for developing:

- buildings meeting green industry standards
- urban and industrial sites
- Sales tax exemptions for tangible personal property and services purchased for development project
- Local option property tax exemptions for newly constructed offices, stores, factories, and other specified business uses

Financial Assistance:

- Grants, loans, loan guarantees, credit extensions, and other forms of financing
- Brownfield remediation grants and loans
- Tax-exempt industrial revenue bond financing
- Combined grants, loans, and tax credits for projects meeting minimum investment or job creation criteria within specified timeframes

Workforce Development Incentives

Tax credits for:

- apprenticeship training
- human capital investment
- hiring temporary family assistance program recipients
- hiring displaced workers
- creating new jobs

Financial Assistance:

- Wage subsidies (grants) for small businesses and small manufacturers hiring unemployed residents, including honorably discharged veterans
- Subsidized job training for incumbent workers

Source: <http://www.cga.ct.gov/2013/rpt/2013-R-0392.htm>

Port: New York/New Jersey

Information: Port Authority of New York and New Jersey

Distribution center, warehouses: 49 Warehouses <http://www.panynj.gov/port/view-category-list.cfm>

Tax Incentives:

Qualified Empire Zone Enterprises (QEZE)

In addition to the benefits available to certified firms in Empire Zones (see below), additional incentives are available for Qualified Empire Zone Enterprises (QEZE). Certified EZ businesses that meet an annual employment test are entitled to the QEZE Tax Reduction Credit and QEZE Property Tax Credit, among other benefits. See Additional Notes, below, for details of the employment test.

QEZE Tax Reduction Credit

The QEZE Tax Reduction Credit is a credit against taxes equal to a percentage of income taxes attributable to the zone enterprise based on its employment growth in the zone. This

credit is available for 10 years and can reduce a company's tax liability to zero – eliminating the alternative minimum and fixed dollar minimum tax.

QEZE Real Property Tax Credit

QEZE's that own real property may receive a credit against their business corporate taxes, personal income taxes, banking corporate taxes or insurance corporate taxes. Unused credits are refundable in the year that they were earned. The credit is available for 15 years: 10 years at 100%, decreasing 20% each year thereafter. The Credit is calculated based on the number of jobs created and the real property taxes paid on property in the Zone. The company's eligibility is determined annually.

Source: <https://www1.nyc.gov/nycbusiness/description/empire-zone-qeze-tax-credits>

Investment Tax Credit

The Investment Tax Credit (ITC) is available to companies making an investment in depreciable property and/or equipment used in manufacturing, processing, assembly, R&D or financial institutions. The credit equals 10% under the corporate franchise tax and 8% for personal income tax filers of the eligible investment. Unused credits can be carried forward indefinitely and new businesses are eligible for a 50% refund of unused credits. (<https://www1.nyc.gov/nycbusiness/description/empire-zone-investment-tax-credit>)

Metropolitan Economic Revitalization Fund (MERF)

- Loans up to a maximum of \$5 million or 10 percent of total project cost, whichever is less, for improving land and or buildings, construction and renovation and for machinery and equipment purchases.
- Interest rates are based on market conditions, the applicant's ability to repay and project requirements.
- Project loan terms will not exceed 10 years for real estate and either 7 years to the useful life of collateral for machinery and equipment.

(<http://www.esd.ny.gov/BusinessPrograms/MERF.html>)

Port: Philadelphia, PA

Information: Philadelphia Port Authority

Distribution center, warehouses: 114 Warehouses

<http://www.philaport.com/marketing/portservices/warehouses.htm>

Tax Incentives:

Job Creation Tax Credit

The City of Philadelphia has enacted a job creation tax credit against the business privilege tax liability. Under the job creation tax credit program, eligible taxpayers may claim a credit of \$1,000 for each new, qualified full-time job created in the City (up to a specified maximum). Eligible applicants must agree to either create at least 25 new jobs, or to increase the number of employees by at least 20% within 5 years of the start date.

(<http://www.uiiphilly.org/pride/downloads/BusinesDevelopmentPacket.pdf>)

Port: Baltimore, MD

Information: Port of Baltimore

Distribution center, warehouses: 64 Warehouses

Tax Incentives:

Project Tax Credit

Up to \$5 million based on qualifying costs and expenses incurred with the acquisition, construction, rehabilitation, installation, and equipping of an eligible project. Eligible costs include land acquisition, performance and contract bonds, insurance, architectural and engineering services, environmental mitigation, and utility installation. Eligible costs must be at least \$500,000. Project costs exceeding \$5 million are not eligible.

(<http://www.choosemaryland.org/businessresources/pages/onemarylandtaxcredit.aspx>)

JOB CREATION TAX CREDIT

Maryland provides a \$1,000 tax credit to businesses that create new jobs to encourage businesses expanding or relocating to Maryland.

The credit is 2.5% of aggregate annual wages for all newly created, full-time jobs - \$1,000 per new job. In a revitalization area, increased to five percent of annual wages, up to \$1,500 per new job. Credits can not exceed \$1 million per credit year. If the credit is more than the tax liability the unused credit may be carried forward for five years.

Eligible Business Activities: Transportation, Warehousing, etc.

(<http://www.choosemaryland.org/businessresources/Pages/JobCreationTaxCredit.aspx>)

MARYLAND ENTERPRISE ZONES

Businesses locating in a Maryland Enterprise Zone may be eligible for income tax and real property tax credits in return for job creation and investments. Businesses located in one of two focus areas are also be eligible for personal property tax credits.

Enterprise Zone Tax Credits

- Real property tax credits – Ten-year credit against local real property taxes on a portion of real property improvements. Credit is 80% the first five years, and decreases 10% annually to 30 percent in the tenth and final year.
- Income tax credits – the one-time \$1,000 credit per new worker. For economically disadvantaged employees, the credit is \$6,000 per employee over three years.

(<http://www.choosemaryland.org/businessresources/Pages/EnterpriseZones.aspx>)

Port: Hampton Roads, VA

Information: Port of Virginia <http://www.portofvirginia.com/>

Distribution center, warehouses: 97 Warehouses

Tax Incentives:

Port Volume Increase Tax Credit

- Tax credit for taxpayers engaged in the manufacturing of goods or the distribution of manufactured goods (including processed agricultural products) that use public or private port facilities located in Virginia and increase cargo volume through the facility by 5% in a single calendar year over their base year cargo volume.

- Credit is \$50 per TEU in excess of the base year cargo; tonnage conversion rate is 16 tons = 1 TEU
- Major Facility: credit is \$50 per TEU during the major facility's 1st calendar year (5% volume increase can be waived).

2011:

SB 1282: Income tax, state; barge and rail usage tax credit:

- Grants tax credit for usage of barge/rail to move cargo.
- Credit is \$25 per TEU.
- Credit available for taxable years beginning on 01/01/11 but before 01/01/15.
- Credit is available for taxpayers in Virginia.
- There is a cap of \$1.5 million per fiscal year.

SB 1136: International trade facility tax credit:

- Grants an income tax credit equal to \$3,000 for every employee hired by Virginia shippers that results from increased cargo of 10% moving through a Virginia cargo facility OR 2 % of any capital investment made by a Virginia shipper to facilitate increased cargo moving through a Virginia cargo facility operated by the VPA.
- Credit available for taxable years beginning on 01/01/11 but before 01/01/15.
- The taxpayer would elect which credit to take.
- There is a cap up to \$250,000 in tax credits per fiscal year.

HB 2531/ SB 1481: Virginia Manufacturer's port volume increase tax credit:

- Tax credit to Virginia taxpayers engaged in manufacturing goods or the distribution of manufactured goods that use Virginia port facilities and increase their port volume by 5% in a single year over their base year port cargo volume.
- \$50 per TEU
- There is a max cap of \$3.2 million in a calendar year and each taxpayer would be limited to \$250,000 annually.

(<http://aapa.files.cms-plus.com/VaTaxIncentives%20-%202011.pdf>)

VA:

Port of Virginia Economic and Infrastructure Development Zone Grant Program (POV Zone Grant): The POV Zone Grant provides a grant to certain Qualified Companies to incentivize companies to locate new maritime-related employment centers or expand existing centers in specified localities in order to encourage and facilitate the growth of the Port of Virginia in accordance with criteria established by legislation.

Port: Wilmington, NC

Information: North Carolina Ports

Distribution center, warehouses: -

Tax Incentives:

Credit for Use of North Carolina Ports (G.S. 105-130.41)

<http://www.thrivenc.com/incentives/financial/tax-credits/nc-ports-tax-credits>

NC:

North Carolina: Ports Tax Credits (N.C. Gen. Stat. § 105-151.22)

To increase shipping at state ports

- Business tax credit against port charges exceeding the previous three-year average for such charges
- Credit cannot exceed 50% of tax liability, up to \$ 2 million
- Unused credits carried forward up to five years

Eligibility: Businesses paying charges at state ports for forest products, container cargo, and “break-bulk cargo” (i.e., cargo stored in boxes, bales, pallets, or units other than containers)

Port Enhancement Zones (PEZ):

- The North Carolina General Assembly recently passed legislation that gives an addition \$1,000 tax credit per job created and provides some Tier 1 level incentive packages available to industrial parks within 25 miles of the Port of Wilmington that meet designated per capita income thresholds. All three of the region’s Tier 3 counties, Brunswick, Pender, and New Hanover, have available sites that meet these criteria.

(<http://www.ncse.org/business-advantages/incentives>)

Port: Charleston, SC

Information: Port of Charleston http://www.port-of-charleston.com/Cargo/Logistics/Distribution_Center_Developments.asp

Distribution center, warehouses: 43 Warehouses in the Charleston Metro Area.

20 million square feet of prime class A industrial distribution centers are going to be built in the next few years within an hour drive from the port. Total foot print of these projects is more than 2,600 acres.

Tax Incentives:

At 5%, South Carolina’s corporate income tax is among the lowest in the Nation and the Southeast.

SC:

PORT VOLUME INCREASE CREDIT: A possible credit against income taxes or withholding taxes to entities that use state port facilities and increase base port cargo volume by 5 percent over base-year totals. To qualify, a company must have 75 net tons of non-containerized cargo or 10 loaded TEUs transported through a SC port for their base year. The total amount of tax credits allowed to all qualifying companies is limited to \$8 million per calendar year.

South Carolina: International Trade Incentive Program (S.C. Code § 105-151.22)

To increase shipping at state ports

- Maximum \$1 million per year credit
- Total annual credits for all businesses capped at \$8 million
- Unused credits may be carried forward up to five years

Eligibility: Manufacturing, warehousing, and distribution businesses that increase shipment at ports by 5% over prior year

Port: Savannah, GA/Brunswick, GA

Information: Georgia Port Authority

Distribution center, warehouses: 4 million-plus sq ft (371,612 sq m) of readily available warehouse space within 30 miles of the terminals.

Tax Incentives:

“Port Tax Bonus” available for companies who locate their operations to Georgia and utilize Georgia’s ports.

GA:

Port Tax Credit Bonus:

- Available to taxpayers who increase imports or exports through a Georgia port by 10% over the previous or base year. Base year port traffic must be at least 75 net tons, five containers or 10 TEUs (20-foot equivalent units); if not, the percentage increase in port traffic will be calculated using 75 net tons, five containers, or 10 TEUs as the base.
- The port tax credit bonus can be used with either the Job or the Investment Tax Credit program, provided that the company meets the requirements for one of those programs.
- Port Tax Credits may be used to offset up to 50% of the company’s corporate income tax liability. The credits cannot be utilized with the Quality Jobs Tax Credit and can only be used in Opportunity Zones, Military Zones and Less Developed Census Tracts in limited cases by existing large distribution centers.
- Port Tax Credit bonus for JOB Tax Credits – an additional \$1,250/job credit for taxpayers with qualified increases in shipments through a GA port. The \$1,250 is added to the Job Tax Credit.
- Port Tax Credit bonus for INVESTMENT Tax Credit – increases the Investment Tax Credit to the equivalent of a Tier 1 location regardless of the tier level. The port bonus would therefore be equal to 5% of the qualified investment in expenses directly related to manufacturing or providing telecommunication services, with the credit increasing to 8% for recycling, pollution control and defense conversion.

Georgia: Port Investment Bonus (OCGA § 48-7-40.15A)

(<http://www.cga.ct.gov/2010/rpt/2010-R-0305.htm>)

To increase shipping

- Business income tax bonus for businesses that invest in the state and increase port usage
- 5% business income tax credit, with 10-year carry-forward
- Total annual credit limited to 50% of annual tax liability

Eligibility:

Manufacturing and telecommunications companies:

Operating in state for at least three years, Investing at least \$50,000 in plant, Increasing shipments in and out of state ports

Georgia: Port Job Tax Credit Bonus (OCGA § 48-7-40.15A)

To increase shipping

- Business income tax bonus for businesses that create jobs and increase port usage
- \$1,250 per job added to base job creation credits
- Base credits range from \$750 to \$4,000, depending on jobs created and business' location
- Total annual credit limited to 50% or 100% of tax liability, depending on location

Eligibility:

Manufacturing, Telecommunications, Warehouse Distribution, Research and Development, Processing, Tourism

http://selectgeorgia.com/publications/Incentives_Georgia.pdf

Port: Jacksonville, FL

Information: Jaxport

Distribution center, warehouses: Distribution Centers: 9,293,000 sq. feet. (22 major companies) (<https://www.jaxport.com/cargo/general-marine-information/industrial-properties/distributor-centers>)

55 facilities in close proximities (Warehouse, Distribution, Storage)

10 million sq ft. warehousing and distribution space has been developed in Northeast Florida

Tax Incentives: Florida has no corporate franchise tax, no state personal income tax, no taxes on inventories and no taxes on foreign income. Our state and local governments also offer competitive tax incentives for businesses that relocate or expand in Northeast Florida.

FL:

Qualified Target Industry Tax Refund (QTI):

The Qualified Target Industry Tax Refund incentive is available for companies that create high wage jobs in targeted high value-added industries. This incentive includes refunds on corporate income, sales, ad valorem, intangible personal property, insurance premium, and certain other taxes.

- Pre-approved applicants who create jobs in Florida receive tax refunds of \$3,000 per net new Florida full-time equivalent job created;
- \$6,000 in an Enterprise Zone or Rural Community (county).
- For businesses paying 150 percent of the average annual wage, add \$1,000 per job;
- for businesses paying 200 percent of the average annual salary, add \$2,000 per job; businesses falling within a designated high impact sector or increasing exports of its goods through a seaport or airport in the state by at least 10 percent in value or tonnage in each year of receiving a QTI refund, add \$2,000 per job;

(<http://www.enterpriseflorida.com/why-florida/business-climate/incentives/>)

Tax Advantages

The State of Florida's tax incentives include exemptions for the first \$5,000 of taxable income, no property tax on business inventories, no state-level property tax, low 5.5

percent corporate income tax for C-corporations, no sales or use tax on co-generation of electricity and more;

Qualified Target Industry Tax Refund Program

This program provides an inducement for target industries to locate new facilities in Florida or expand existing facilities. If approved by the state, the applicant may receive refunds on the taxes it pays;

(http://www.stluciechamber.org/business_incentives.asp)