

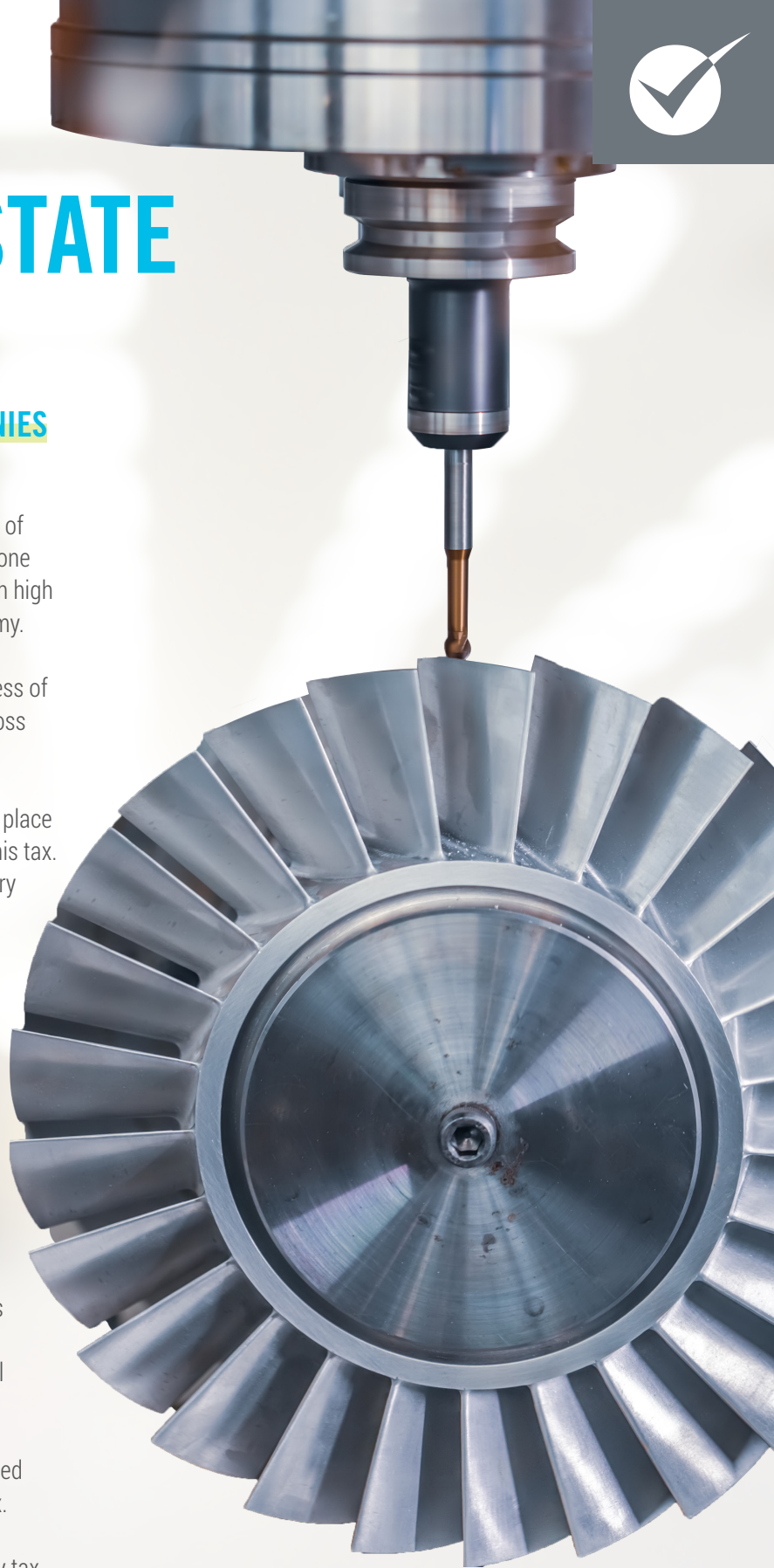


WASHINGTON STATE ADVANCED MANUFACTURING

WASHINGTON REWARDS PRODUCTIVE COMPANIES

Based on sound policies that reward the most productive companies, Washington State allows companies to keep more of their profits to improve operations, grow and succeed. This is one of the many reasons why Washington companies achieve such high levels of success, placing them at the top of the global economy.

- The state does not have a corporate income tax. Regardless of the profitability of the company, taxes are only paid on gross receipts.
- Washington uses a business and occupation (B&O) tax in place of an income tax. Virtually all businesses are subject to this tax. Based on gross receipts, this taxation structure can be very beneficial to your company. The rate for a manufacturing facility is .00484.
- Washington is one of only seven states that does not have a personal income tax. Washington also does not impose a tax on intangible assets such as bank accounts, stocks or bonds. Additionally, Washington does not tax retirement income earned and received from another state. There is no current legislation in the works to create an income tax.
- Washington State relies on consumer taxes rather than personal income tax – the most significant of these taxes is the retail sales tax. Sales tax does not apply to food products, prescription drugs, or professional and personal services.
- Washington State property taxes vary due to voter-approved special levies. Local governments administer property tax. County assessors value and assess the tax, and county treasurers collect it. Washington does not assess property tax on intangible assets, including patents and copyrights.



BUSINESS INCENTIVES FOR MANUFACTURERS

The Department of Commerce's business development team works on targeted company recruitment, retention and expansion activities to help businesses like yours locate and grow successfully in Washington State.

Working with local economic development organizations, education and labor leaders, local government entities and elected officials around the state, the Office of Economic Development and Competitiveness supports existing businesses and siting new ones in our state.

Our economic development strategy provides businesses and investors with adaptive and customized programs and services that meet your specific needs so you can increase sales, enter new markets, find new partners, make substantial investments in the state and expand strategically.

Once a specific location has been identified in Washington State, detailed discussions with your company regarding its operations will help identify specific incentives available to you. We will work with you to streamline permitting and zoning at the state and local levels.

Sales and Use Tax Exemption for manufacturing machinery and equipment used directly in a manufacturing operation. Savings amount to 6.5% + local rate.

Business & Occupation Tax Credit based on wages for new employees in manufacturing and R & D labs and commercial testing facilities in rural counties or within a Community Empowerment Zone (CEZ). Eligible rural counties/CEZ.

Job Skills Program Competitive Grant provides customized employment training. \$900 per trainee.

CERB/Committed Private Partner (CPP) Loans and Grants for construction of public infrastructure necessary for private business expansion. CPP Program requires a private business commitment as part of the public entity's application. \$2 million loan max. Up to \$150,000 grant or 50% of CERB request.

