

## B U S I N E S S I N C E N T I V E S

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Harvey County and the State of Kansas have established a long history of partnering with new and expanding businesses to help ensure the success of their enterprises. Following is a list of incentives available to qualifying businesses.

### **AIRPORT BUILD-TO-SUIT OPPORTUNITY**

The Newton City/County Airport offers a build-to-suit program for buildings on the Airport. Buildings erected under this program are usually constructed for a company who is willing to sign a long term lease on the facility – 10 to 20 years with options to extend. These buildings are constructed and wholly owned by the Airport and remain the property of the airport. The Airport offers a generous maintenance program in conjunction with the lease of these buildings. The airport will maintain the essential structure of the building as well as the plumbing, electrical and HVAC. The business would be responsible for the consumables in the structure and damage due to negligence.



### **USDA RURAL DEVELOPMENT LOAN FUND**

The Butler Rural Electric Cooperative, the supplier of electricity to the industrial park, offers a 10 year 0% Interest Loan fund for qualified economic development projects. Administered by the Kansas Electric Power Cooperative, funds are available for new and expanding businesses creating jobs and investing in Kansas. Funding will be considered for up to 80% of a project.

### **KANSAS ENTERPRISE ZONE ACT**

Harvey County is designated as a non-metropolitan business region which allows for us to offer enhanced incentives under the Kansas Enterprise Zone Act. To qualify for benefits, new or expanding manufacturing businesses (SIC code groups 20 through 39) must create at least two net new jobs, non-manufacturing businesses (except retail) must create five net new jobs and business headquarters must create 20 net new jobs. Benefits include a one-time corporate income tax credit in the amount of \$2,500 for each new employee and \$1,000 for each \$100,000 of new capital investment. These credits can offset 100 percent of a firm's corporate income tax liability and the unused portion of the credit may be carried forward to subsequent years until the entire credit is used. If eligible, a sales tax exemption is granted on the purchase of goods and services in constructing, reconstructing, enlarging, remodeling or equipping a qualified business facility.

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## **JOB EXPANSION AND INVESTMENT CREDITS**

This program provides business incentives for those businesses that may not qualify for the Enterprise Zone incentives, such as retail businesses or non-manufacturing businesses that do not create at least five new jobs. For example, a new or expanding Harvey County retail business that creates at least two new jobs is allowed a job expansion credit of \$100 per net new employee and an investment tax credit of \$100 per \$100,000 of qualified investment. Credits may be used to offset up to 50% of the business' Kansas income tax liability for a period of up to ten years. Unused credits may not be carried forward.

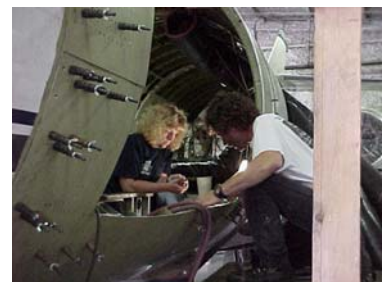
Enhanced incentives are available under the Job Expansion and Investment Credit Act for communities with population less than 2,500. Eligible companies can receive a sales tax exemption on the purchase of goods and services in constructing, reconstructing, enlarging, remodeling or equipping a qualified business facility. In Harvey County, the communities of Burrton, Halstead, North Newton, Sedgwick and Walton are eligible for these enhanced incentives.

## **HIGH PERFORMANCE INCENTIVE PROGRAM (HPIP)**

The HPIP program was designed to retain Kansas' existing high-performance businesses, encourage investment in worker training and education and spur the attraction of new, high quality firms to the state. To be eligible, a firm must either pay above-average wages for its industry or 1 ½ times the statewide average wage. The firm must also invest two percent of their payroll in training or participate in one of the state's work force training programs listed below. Eligible firms must be in the major SIC categories of 20-49 or 60-89 or be a national headquarters or ancillary support operation. Benefits include a sales tax exemption, a generous investment tax credit and work force training tax credits.

## **WORKFORCE TRAINING ASSISTANCE**

The **Kansas Industrial Training Program (KIT)** is a comprehensive and flexible workforce training program designed to respond to the specific needs of new and expanding companies. Eligible industries include basic enterprises that are creating at least five new jobs. KIT may be used to provide training costs for instructor salaries; travel, lodging, and meals; training manuals; minor equipment; certain utility costs; and curriculum planning development. Funds are available on a first-come, first serve basis and can be utilized for up to 100% of all training costs.



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The **Kansas Industrial Retraining Program (KIR)** is designed for restructuring companies whose employees are likely to be displaced due to obsolete or inadequate job skills. Grants are awarded on a competitive basis and funds are a dollar for dollar match or 50% of total training costs.

The **State of Kansas Investments in Lifelong Learning (SKILL)** program is a component of the IMPACT program, which is designed for new and expanding businesses or consortiums of businesses that are creating a large number of new jobs and/or new jobs paying above average wages. Like the KIT program, SKILL is intended to help companies offset the costs of training employees for new jobs. Project costs are financed through tax exempt, public purpose bonds issued on an as needed basis by the Kansas Finance Development Authority.

### **PROPERTY TAX ABATEMENT**

An exemption from Ad Valorem taxation on real estate and tangible personal property can be made available by the governing body of a city or county for up to ten years. The exemptions apply to land, building, machinery, and equipment for new or expanding businesses. Harvey County and its cities have been aggressive in offering this incentive over the years and will consider the level of the abatement based on the size of the project.