



Businesses relocating or expanding in Kingman County may be eligible for specific incentives offered by the State of Kansas, individual cities in the county and Kingman County. The KCEDC staff is prepared to assist you in coordinating a custom, aggressive incentives package based on your particular needs.

### **Existing Businesses**

#### **State of Kansas Incentives**

##### **Enhanced Enterprise Zones**

Manufacturing businesses can receive sales tax exemptions and state income tax credits if they create a net of two new jobs. Non-manufacturing businesses must create a net of five new jobs. Retail businesses in Kingman County are not eligible for Enterprise Zone benefits. The benefits are:

- 100% sales tax exemption on construction materials and labor, machinery and equipment, and furniture and fixtures
- Job creation tax credit - \$2,500 per employee (one-time credit)
- Investment tax credit - \$1,000 per every \$100,000 of investment (one-time credit)
- Earned credits are available until fully utilized

##### **High Performance Incentive Program**

Companies may be eligible for a Kansas Income Tax Credit equal to 10% of eligible capital investment that exceeds \$50,000. This credit has a 10-year carry-forward provision and may offset 100% of a firm's annual tax obligation. There is also a sales tax exemption similar in scope to the Enterprise Zone sales tax exemption. The company must:

- Pay above average wages for the industry.
- Invest at least 2% of payroll in training or participate in one of the state's workforce training programs.
- Otherwise eligible non-manufacturing worksites must also show that more than half of worksite revenues are from sales to specific kinds of customers, or else the worksite must be a headquarters or a back-office/support worksite of a national or multi-national corporation.
- Fall into major NAICS category 221, 311-425, 481-721, or 811-928 (generally excluded from eligibility are retailers and businesses involved in agriculture, construction and mining, unless the worksite is a headquarters or back-office of a national or multi-national corporation).

##### **IMPACT (Kansas Investment in Major Projects and Comprehensive Training)**

This program allows employers to enter into agreements to establish training projects for new employees. Funds are derived from a fee of 1% from employee payroll withholding taxes. Employers must spend at least 2% of payroll costs on employee training and education to qualify. IMPACT funds may be used to pay for:

- Instructor salaries
- Video tape development
- Training manuals and textbooks
- Building and equipment purchases
- Supplies and materials
- Curriculum planning and development
- Relocation costs
- Labor recruitment

### **KIR (Kansas Industrial Retraining)**

This program provides training assistance to companies in industries that are restructuring due to changing technology and to companies diversifying production activities. Terms are negotiable and cover up to 50% of retraining costs.

### Individual City/Kingman County Incentives

#### **IRBs (Industrial Revenue Bonds)**

The Individual Cities and/or Kingman County may exempt property financed with IRBs from property taxes for a period of up to ten years. Building materials and equipment permanently installed will be exempt from state and local sales taxes.

#### **Abatement of Property for Economic Development Purposes**

Individual Cities and Kingman County may abate ad valorem taxes on all or any portion of the appraised value of all buildings or added improvements used exclusively by a business for:

- Manufacturing articles of commerce;
- Conducting research and development; or
- Storing goods or commodities which are sold or traded in interstate commerce.

Additions to or expansions of existing buildings qualify for the property tax exemptions if, as a result of the expansion, new jobs are created. Total or partial ad valorem tax may be in effect for up to 10 years after the calendar year in which a business commences its operations or an expansion is completed. There is no personal property tax on machinery and equipment purchased after June 30, 2006.

#### **EDX (Kansas Constitutional Amendment)**

The individual city councils and the Board of Kingman County Commissioners may exempt property from taxation for a period of up to ten years. This may include all or any portion of both real and/or tangible personal property used exclusively in:

- Manufacturing articles of commerce
- Conducting research and development
- Storing goods or commodities which are sold or traded in interstate commerce

#### **KCEDC Services**

The Kingman County Economic Development Council offers custom research and data packages to suit all of your site selection needs. Whether you need detailed city comparisons, or just quick and accurate information, we are prepared to assist you in every possible way. For more information on this service contact Jane Wallace, Executive Director at (620) 532-3694 or [kcedc@terraworld.net](mailto:kcedc@terraworld.net)

If you're looking for [available property](#) in Kingman County, look no further than the KCEDC! The KCEDC staff is prepared to assist with a custom property search and has vital connections to the real estate community. For more information about this service contact **Jane Wallace, Executive Director at 620-532-3694** or [kcedc@terraworld.net](mailto:kcedc@terraworld.net)

### **Recruitment**

#### State of Kansas Incentives:

#### **Enhanced Enterprise Zones**

Manufacturing and businesses can receive sales tax exemptions and state income tax credits if they create a net of two new jobs. Non-manufacturing businesses must create a net of five new jobs. Retail businesses in Kingman County are not eligible for Enhanced Enterprise Zone benefits. The benefits are:

- 100% sales tax exemption on construction materials and labor, machinery and equipment, and furniture and fixtures
- Job creation tax credit - \$2,500 per employee (one-time credit)
- Investment tax credit - \$1,000 per every \$100,000 of investment (one-time credit)
- Earned credits are available until fully utilized

### **High Performance Incentive Program**

Companies may be eligible for a Kansas Income Tax Credit equal to 10% of capital investment that exceeds \$50,000. This credit has a 10-year carry-forward provision and may offset 100% of a firm's annual tax obligation. There is also a sales tax exemption similar in scope to the Enterprise Zone sales tax exemption. The company must:

- Pay above average wages for the industry
- Invest at least 2% of payroll in training or participate in one of the state's workforce training programs.
- Fall into major SIC category of 20-51 or 60-89 (some exceptions apply).

### **IMPACT (Kansas Investment in Major Projects and Comprehensive Training)**

This program allows employers to enter into agreements to establish training projects for new employees. Funds are derived from a fee of 1% of payroll withholding taxes from individuals. Employers must spend at least 2% of payroll costs on employee training and education to qualify. IMPACT funds may be used to pay for:

- Instructor salaries
- Video tape development
- Training manuals and textbooks
- Building and equipment purchases
- Supplies and materials
- Curriculum planning and development
- Relocation costs
- Labor recruitment

### **KEOIF (Kansas Economic Opportunity Initiative Fund)**

KEOIF provides forgivable loans for projects that create or maintain jobs and invest new capital in the state. KEOIF applications must be made by the supporting city or county on behalf of the business. Eligible projects include those which

- Generate new jobs and capital investment through business recruitment;
- Generate new jobs and capital investment through the major expansion of an existing business;
- Prevent the loss of jobs brought about by potential closure or out-of-state relocation of an existing business;
- Mitigate the effects of the closure of major state or federal facilities.

Applications approved by the Secretary are performance-based, 0% forgivable loans for a 5-year period. Annual reports are required to verify job creation and payroll performance against contractual commitments.

### **KIT (Kansas Industrial Training)**

This program provides training assistance to new or relocating companies as well as existing companies in the process of expansion. KIT is a flexible training program through which the State of Kansas shares in the cost of instructors, books, training materials, etc., for a training program cooperatively designed by the company and the State.

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#### **EDX (Kansas Constitutional Amendment)**

Individual city councils and the Board of Kingman County Commissioners may exempt property from taxation for a period of up to ten years. This may include all or any portion of both real and/or tangible personal property used exclusively in:

- Manufacturing articles of commerce
- Conducting research and development

- Storing goods or commodities which are sold or traded in interstate commerce

### **Additional Incentives**

#### **Business Machinery & Equipment Property Tax Exemption**

Effective July 1, 2006, business machinery and equipment newly purchased, leased or moved into Kansas is exempt from property tax. This is of particular benefit to capital-intensive manufacturing operations. The exemption applies equally to manufacturing equipment and office business equipment, furniture and fixtures. Items of business personal property under \$1,500 original purchase price are also exempt from property tax regardless of date of purchase.

#### **Business Inventory Property Tax Exemption**

Effective January 1, 1989, merchant and manufacturer business inventories (raw materials, goods-in-process and finished goods) are exempt from property tax by Kansas constitutional amendment.

#### **Trade Show Assistance Program**

Assistance is available for up to one-half of a company's direct foreign exhibition-related expenses (not to exceed \$3,500 per show and \$7,000 annually). Reimbursable expenses might include booth space, utility costs, transportation of equipment or materials, booth assembly/disassembly, interpreter fees at the show, translation fees for materials, etc.

#### **Income Tax Credit for Research & Development**

A company can qualify for an income tax credit for research and development if: Research and development occurred within the state of Kansas Expenditures increased above the company's average expenditures for such activities during the prior two years. Tax credit is equal to 6.5% of the increased expenditure amount and is deductible over a 4-year period (25% annually).