

WESTERN IOWA COUNTIES OFFER PRO-BUSINESS ECONOMIC ENVIRONMENT.

Take advantage of the area's many business advantages.

Iowa is committed to providing the business incentives companies need to be competitive while helping to foster the economic well-being of those who call the Western Iowa Advantage region home. The state offers tools and assistance programs designed to help businesses succeed, including revolving loan funds, enterprise zones and available funds from a \$500 million economic development initiative. Further augmenting the workforce landscape for Iowa employers is the fact that the state is a Right to Work state. Other pro-business state policies include:

Iowa corporate income tax

Iowa's corporate income tax offers significant advantages, including:

- 50% deductibility of federal taxes from Iowa corporate income.
- A single-factor, non-unitary tax based only on the percentage of total sales income within the state.

It may be reduced or eliminated by the New Jobs Tax Credit, High-Quality Job Creation Program or Enterprise Zone benefits.

No personal property tax

Personal property is not assessed for tax purposes. In Iowa, personal property includes corporate inventories of goods-in-process, raw materials and salable goods.

No sales and use tax on manufacturing machinery and business equipment purchases

The purchase of industrial machinery and computers assessed as real property and used for manufacturing or used to process data by insurance companies, financial institutions, or certain commercial enterprises are exempt from Iowa sales or use tax. There is also no sales tax on materials used in the manufacturing process or for purchases of electricity or natural gas used directly in the manufacturing process.

No property tax on new industrial machinery and business equipment

Manufacturing machinery and equipment, as well as computers used to process data by insurance companies and financial institutions, are exempt from property tax.

Research and development tax credit

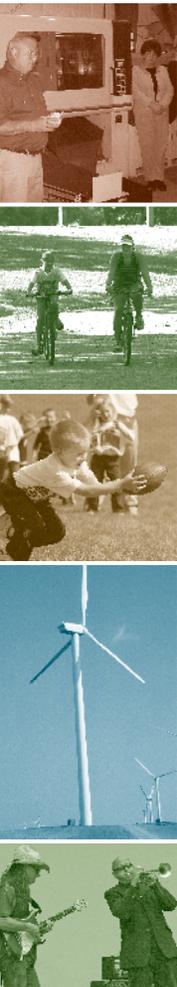
A refundable credit for increasing research activities is 6.5 percent of the company's allotted share of qualifying research expenditures in Iowa. A company must meet the qualifications of the federal research activities credit in order to be eligible for the credit on the Iowa return. Companies approved for expansion in an Enterprise Zone or under the High-Quality Jobs Creation Program are eligible for an additional 6.5 percent tax credit for qualifying research and development activities.

Tax Increment Financing (TIF)

City councils or county boards of supervisors may use the property taxes resulting from the increase in taxable valuation caused by the construction of new industrial or commercial facilities to provide economic development incentives to a business or industry. TIF may be used to offset the cost of public improvements and utilities that will serve the new private development, to finance direct grants or loans to a company, or to provide the local match for federal or state economic development assistance programs.

Workers' compensation

The average cost of workers' compensation insurance for manufacturers in Iowa is 25 percent lower than the national average. Iowa law provides for employer choice of doctor.



Regulatory assistance

The Regulatory Assistance Program enhances the range of services available to Iowa companies by advising and assisting companies in the preparation and submission of permit applications with the Iowa Department of Natural Resources (IDNR) and other Iowa regulatory agencies. The purpose of the Regulatory Assistance Program is to facilitate communication between the business and regulators and to expedite the permitting process.

Technical training and support

The area's workforce training programs and outstanding community colleges help promote new employee training, incumbent worker preparation, lifelong learning, and development and expansion of the area's labor pool. These efforts help keep businesses in Iowa's counties competitive, while ensuring that they remain in the state.



➔ **COOKBOOK COMPANY LIKES REGION'S BUSINESS RECIPE.**

“The community is progressive and bends over backwards to contribute whatever needs to be done to maintain a high quality of life for its residents.”

As sales manager of national cookbook printer, Jumbo Jack's, Mike Ruddy believes it's no accident the company is thriving in little Audubon, Iowa (pop. 2,382). He cites numerous business advantages to operating in the area, beginning with the labor pool. "We are very proud of our employees and are happy to tout that out of our 60 or so employees, 30 of them have been with the company 10 years or more." Ruddy also says the company benefits from the area's affordable housing, nonexistent crime, easy access to Des Moines and Omaha, and the community's pro-business policies. "The community is progressive and bends over backwards to contribute whatever needs to be done to maintain a high quality of life for its residents."