

WILLOUGHBY INCENTIVE GRANT PROGRAM

What is it: The Ohio Revised Code (718.15 and 718.15.1) states that a municipal corporation may grant a credit against its tax on income to a taxpayer that also received a tax credit under section 122.17 of the Revised Code. If a tax is granted under these sections it shall be measured as a percentage of the income tax revenue derived from new or retained employees of the taxpayer and shall be for a term not to exceed 10 years. Before the municipality passes an ordinance allowing such a credit, the municipality and the taxpayer shall enter into an agreement specifying all the conditions of the credit.

Suggested City Criteria:

- Any office or manufacturing firm that creates a minimum of \$500,000.00 of new payroll over a three year period in the City of Willoughby and has NOT applied for or received tax abatement may be eligible for the income tax credit.
- Each participant shall commit to establish within three years a minimum of \$500,000.00 of new payroll in the City of Willoughby. “New payroll” does not include transfers from affiliated companies within Willoughby. Firms new to the City of Willoughby and current businesses that are expanding are eligible to participate.
- Each participant shall document that receiving the City income tax credit is a major factor in the taxpayer’s decision to go forward with the project to offset costs of capital expansion and/or renovation and any capital investment that may add taxable value to property located in Willoughby.
- The participant shall commit to maintain the new payroll for at least twice the term of the income tax credits. Default will result in recapture of prior credits.

Willoughby Incentive Grants

WIG’s are established by an agreement with each participant and authorized by City Council according to adopted guidelines.

GUIDELINES

<u>New Annual Payroll</u>	<u>Income Tax Credit</u>	<u>Years*</u>
\$ 500,000 – 1,500,000	20%	3
\$1,500,001 - 2,250,000	30%	3-4
\$2,250,001 – 3,000,000	40%	4
\$3,000,001 +	50%	4-5

* Special projects may warrant additional years and can only be offered after discussion with City Council and the Finance Director

APPLICATION

Applicant Information

Company Name _____

Street Address of Company _____

Contact Person and Title _____

Telephone Number _____ Fax Number _____

Location of Parent Company (if applicable) _____

Business Information

Type of Business _____

Principal Product(s)/Service(s) _____

Date Established _____

Number of Willoughby Employees _____

Description of Project

Location and Address _____

If Relocation, from Where _____

Briefly Describe Project _____

Job Commitments

NEW Full Time Jobs Created

Year 1 Year 2 Year 3 Year 4 Year 5

Current Employees at Project Site: _____

Estimated Payroll for Year 3 _____

Narrative Description

As an attachment, please provide a brief history of the company and a description of the proposed project.

Explanation of Need

List Amount of Tax Credit Requested

Percent _____

Term _____

Please provide a brief explanation as to why receiving the tax credit is a major factor in the company's decision to go forward with the project at the proposed site.

Additional State and/or Local Assistance

Summarize all other State and local assistance requested or granted.
