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TENNESSEE INCENTIVES AT A GLANCE

For a complete list of eligibility requirements and to receive more information, please contact TNECD.

	BENEFIT	ELIGIBILITY *(not comprehensive)*
FastTrack Economic Development Fund*	Grant provided to local communities to reimburse a company for eligible expenditures not covered by infrastructure or job training grants. The grant can help offset expenses such as relocation of equipment, temporary office space, capital improvements and retrofitting.	Only used in exceptional cases where a company's impact, such as net new full-time positions and capital investment, in a community is significant. These funds are available subject to terms of the Accountability Agreement executed by the state, community and company. TNECD is not able to provide incentives prior to the execution and approval of a contract.
FastTrack Job Training Assistance Program*	Grant provided directly to new or expanding companies that provides funding to support the training of net new full-time employees.	Funding levels are based on the number of net new full-time positions created, amount of capital invested, wages of new employees and the types of skill and knowledge levels required. TNECD is not able to provide training incentives for any positions filled prior to the execution and approval of a contract.
FastTrack Infrastructure Development Program*	Grant provided to local governments for public infrastructure needs for new and expanding companies. TNECD will work with local officials to identify eligible needs for a project, such as water, sewer, rail, gas, electric, roadway, telecommunications or other site improvements.	Must be for public infrastructure improvements benefiting a specific company generating net new full-time positions and capital investment; requires local matching funds. For onsite improvements, the community must provide a PILOT on the real property investment for at least 5 years. TNECD is not able to provide incentives prior to the execution and approval of a contract.
Bonus Incentive	**At-Risk Counties:** 35% premium to projects that locate in a county defined by the Appalachian Regional Commission as "at-risk".	In order to receive either premium, the project must provide an average starting wage that meets or exceeds the median county wage. TNECD reserves the discretion to approve or deny the premium based on the facts and circumstances of the project.
	Distressed Counties: 50% premium to projects that locate in a county defined by the Appalachian Regional Commission as "distressed".	
TAX CREDITS AND EXEMPTIONS		
Job Tax Credit*	Credit of $4,500 per job to offset up to 50% of franchise and excise (F&E) taxes in any given year with a carry forward for up to 15 years.	Create at least 25 net new full-time positions within a 36 month period and invest at least $500,000 in a qualified business enterprise.
	Community Resurgence: Credit of $2,500 per each position.	Create 10 net new full-time jobs each paying the state's average occupational wage and also be located in a census tract where poverty rate exceeds 30%.
Enhanced Job Tax Credit*	Allows an additional annual credit for locations/expansions in designated Tier 2, Tier 3, and Tier 4 Enhancement Counties. Enhanced JTC can offset up to 100% of F&E liability.	
	Tier 2: 3 year annual credit at $4,500 per job with no carry forward.	Create at least 25 net new full-time positions within a 36 month period and invest at least $500,000 in a qualified business enterprise.
	Tier 3: 5 year annual credit at $4,500 per job with no carry forward.	Create at least 20 net new full-time positions within 60 month period and invest at least $500,000 in a qualified business enterprise.
	Tier 4: 5 year annual credit at $4,500 per job with no carry forward.	Create at least 10 net new full-time positions within 60 month period and invest at least $500,000 in a qualified business enterprise.

** Definition of net new full-time job: 37 1/2 hours a week, 12 months and health coverage offered.*

COUNTY ELIGIBILITY View our interactive map at TNECD.com to determine eligibility for tax credits and the bonus incentive.

	BENEFIT	ELIGIBILITY *(not comprehensive)*
Industrial Machinery Tax Credit	Credit of 1% for the purchase, third party installation and repair of qualified industrial machinery.	**Manufacturing:** includes purchases for machinery; apparatus and equipment with parts; appurtenances and accessories; repair parts and labor.
		Warehousing and distribution: includes material handling equipment and racking systems with a minimum $10M capital investment within 36 months.
		Headquarters, call centers: includes computer; network; software or peripheral computer devices, purchased in making required capital investment for job tax credit.
Sales and Use Tax Exemptions*	**Manufacturing:** sales tax exemption for industrial machinery and reduced sales tax rate for utilities at qualified manufacturing facilities.	Exemptions include industrial machinery, repair parts and industrial supplies used in the manufacturing process. Reductions include: 0-1.5% tax on water depending on use and 0-1.5% on gas, electricity and various energy sources depending on use.
	Headquarters: State sales tax credit for qualified personal property purchased for a qualified headquarters facility.	HQs receive a sales tax credit for 6.5% for qualified personal property directly related to the new full-time position creation.
	Warehouse/Distribution: Sales tax exemption for material handling and racking systems purchased for a qualified warehouse or distribution center.	Investment of $10M or more, including the purchase of new equipment, made during a 3 year period.
	Call Centers: Tax exemption on any sales of interstate telecommunication and international telecommunication services sold to a business for use in the operation of one or more qualified call centers.	Must have at least 250 positions engaged primarily in call center activities.
	Data Centers: Sales tax exemption for certain hardware and software purchased for a qualified data center.	Minimum capital investment of $100M and 15 new full-time positions paying at least 150% of the state's avg. occupational wage; investment must be made during a 3 yr. period.
	Research and Development: Sales tax exemption on certain equipment used in research and development.	Equipment must be used necessary to and primarily for research and development purposes.

OTHER

State Industrial Access Program (TDOT)	The Tennessee Department of Transportation (TDOT) contracts with local governments for projects to be developed through the State Industrial Access Program. The program provides funding and technical assistance for highway access to new and expanding industries.
On The Job Training (TDOL)	The Tennessee Department of Labor (DOL) offers reimbursement up to 50% of a new hire's wages for up to six (6) months of their initial training.
Applicant Recruitment and Screening (TDOL)	Free assistance with the recruitment and screening of job applicants based on a company's specific job requirements. More than 70,000 potential employees in statewide database.
Consultation (TDOL)	Consultative Services is offered to employers to assist them in achieving a safe and healthful workplace for their employees. Consultative Services offers both occupational safety and industrial hygiene services to manufacturing, construction, and other types of businesses in Tennessee.
Technical Training (TBR)	With forty campuses statewide, the Tennessee Board of Regents (TBR) college system is ready to deliver customized and economical industry training for your company in manufacturing, health care, construction, transportation, and information technology sectors.

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