

TOLEDO MUNICIPAL JOBS TAX CREDIT PROGRAM

REQUIREMENTS AND APPLICATION PROCESS

PURPOSE:

The purpose of the City of Toledo's Municipal Jobs Tax Credit Program (MJTCP) is to create jobs and increase the tax base.

The MJTCP will authorize the City of Toledo, through the Mayor and City Council, to grant credits to businesses, by ordinance, against municipal income taxes (payroll taxes) on businesses net profits based upon new municipal income tax revenues generated from new jobs.

I. ELIGIBILITY REQUIREMENTS:

All types of companies are eligible for this program. Priority will be given to manufacturing, distribution, service companies and other types of businesses that involve interstate competition.

The Director of Economic & Community Development, along with the Business, Workforce & Technology Division, should have the flexibility in deciding which companies are eligible to apply for the Municipal Jobs Tax Credit. The Business, Workforce & Technology Division, with the Economic & Community Development Director's approval, shall present a Municipal Jobs Tax Credit application package on each business to the Industrial Development Committee (IDC), who will review the above material and then make a recommendation to the Mayor and City Counsel.

II. ELIGIBLE PROJECTS:

All projects must meet the following criteria in order to be eligible:

- Businesses must submit an application and have approval for their project from the State of Ohio's Job Creation Tax Credit Program in order to be eligible/qualify for the City of Toledo's program.
- The business must create a minimum of 25 NEW, FULL-TIME jobs within 3 years.
- The hourly wage rate of the project's new, full-time jobs must be 150% of the state minimum wage, or \$10.57 an hour per job. Businesses will not receive credit for jobs that do not meet the above 150% minimum wage guideline.
- The MJTCP will be only for new jobs created, not existing jobs with new employees. Businesses relocating within the City/State and seeking a project site for expansion purposes will be eligible for MJTCP.

- Businesses must be within the City of Toledo's State Enterprise Zone or the proposed Federal Enterprise Communities Zone in order to be eligible for the MJTCP. Businesses must stay within the above jurisdiction in which the credit is granted for two times the municipal jobs tax credit exemption period.

III. TAX INCENTIVE:

Eligible businesses and projects can apply for the municipal jobs tax credit through the City of Toledo, Department of Economic & Community Development's Business, Workforce & Technology Division. The Business, Workforce & Technology Division will prepare a package and present the information to the Industrial Development Committee (IDC) for a recommendation to the Mayor and City Council.

The maximum tax credit equals 40% tax exemption of the Municipal payroll taxes of eligible full-time employees per year, for up to 10 years, for businesses within the State Enterprise Zone. Also, a maximum tax credit of 80% tax exemption of the municipal payroll taxes of eligible full-time employees per year, for up to 10 years, for businesses within the Enterprise Communities jurisdiction.

IV. STATE GUIDELINES:

As mentioned under "Eligible Projects" above, "businesses must submit an application and have approval for their project from the State of Ohio's Job Creation Tax Credit Program in order to be eligible/qualify for the City of Toledo's program". This MJTCP is designed to mirror the State of Ohio's Job Creation Tax Credit Program that is in place at the time of implementation of this program. Changes may be made to the State's program from time to time, which may increase or decrease the minimum requirements. Any project deemed eligible and approved for the State of Ohio's Job Creation Tax Credit Program does not automatically meet the eligibility requirements for the City of Toledo's MJTCP.

V. MONITORING COMPLIANCE:

During the incentive period, the Tax Incentive Review Council (TIRC), as appointed from time to time by Toledo City Council, shall audit the businesses at least annually with respect to its investment and job creation/retention goals. Payroll and other business records necessary to conduct a fair review of such performance shall be made available to the Council at the Toledo office of the business during normal business hours. The TIRC should make recommendation to City Council as to compliance and recommended reduction or termination of benefits. City Council is the final determining body as to any reduction or termination of benefits.

For more information on this program, please contact our staff at (419) 245-1286