



# BUSINESS

A D V A N T A G E S

BUSINESS FACTORS FOR A BRIGHTER FORECAST

**IOWA**  
*life* | changing



**Iowa's business climate has never been more favorable.** With the second lowest cost of doing business, companies operating in Iowa benefit from a business-friendly state government, technology transfer from world-renowned research universities, a skilled and productive labor pool and a centralized geographical location. Following is a brief description of the many business advantages companies enjoy in Iowa. For more information, please visit us online at [www.iowalifechanging.com](http://www.iowalifechanging.com) or contact us anytime at 1.800.245.4692, 515.242.4896.



## DO BUSINESS WHERE *good things* ARE GROWING.

Companies doing business in Iowa enjoy one of the nation's most business-friendly economic climates. The proof is in the numbers.

- Iowa has the 2nd lowest cost of doing business in the United States  
*America's Top States for Business, CNBC 2008*
- Iowa business contributions to family health insurance plans are 15 percent below the U.S. average  
*Henry J. Kaiser Family Foundation 2007*
- Iowa's average industrial electricity cost per kWh is 30 percent below the U.S. average  
*U.S. Energy Information Administration 2007*
- Iowa's average lease rates for industrial space are 34 percent below the U.S. average  
*2008 NAI Global*
- Iowa's construction costs for industrial space are 15 percent below the U.S. average  
*2008 RSMears*
- Iowa ranks as the 4th best state for business and careers  
*Forbes, 2007*



# THE IOWA DEPARTMENT OF ECONOMIC DEVELOPMENT *is here to help.*

It is the mission of the Iowa Department of Economic Development (IDED) to work with businesses and communities to bolster Iowa's economy and position the state for growth in the new economy. IDED can assist your company by providing:

## **Technical Assistance**

Among IDED's many areas of technical support is comprehensive management assistance; technical and financial assistance for high-growth entrepreneurial ventures; assistance for developing and expanding exports; assistance for international companies interested in locating in Iowa; and assistance for Iowa businesses considering expansion and the creation of new jobs.

## **Financial Assistance Programs**

Iowa offers an array of financial investment programs specifically designed to promote growth and profitability for Iowa companies while creating quality job opportunities for Iowans. Look to IDED to help you identify the most appropriate assistance programs for your needs. We will coordinate and administer these programs and help you throughout the application process.

## **Training and Support**

Iowa's workforce training programs have evolved from a business expansion incentive tool into a comprehensive, targeted human resource initiative available to all Iowa businesses. The IDED works in partnership with public/private service providers and other state agencies to actively promote new employee training, incumbent worker preparation, lifelong learning, and development and expansion of the state's labor pool. These efforts help keep Iowa's businesses competitive and successfully operating in the state.

## **Confidential Location Reviews**

The IDED is here to offer site location assistance to businesses considering Iowa. We will assist with confidential location reviews and work with local economic development organizations to help companies find the right site to meet their company's needs.

For more information, on how IDED can assist your company, please visit online at **[www.iowalifechanging.com](http://www.iowalifechanging.com)** or contact us anytime at **1.800.245.4692** or **515.242.4896**.

# IOWA'S *key* BUSINESS ADVANTAGES.

## Iowa Corporate Income Tax

A number of features of Iowa's corporate income tax offer significant advantages, including:

- 50 percent deductibility of federal taxes from Iowa corporate income.
- Single-factor, non-unitary tax — Iowa's tax is based only on the percentage of total sales income within the state.
- Iowa corporate income tax 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 Industrial Machinery and Equipment Purchases

The purchase of industrial machinery, equipment and computers used for manufacturing or used to process data by insurance companies, financial institutions, or certain commercial enterprises, is exempt from Iowa sales or use tax. In addition, there is 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 Equipment

Industrial machinery, equipment and computers are exempt from property tax.

## Research and Development Tax Credit

A refundable credit for increasing research activities is up to 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 may be eligible for the amount of the tax credit to be doubled for qualifying research and development activities.

## Local Property Tax Incentives

Iowa law allows cities and counties to abate local property taxes for improving industrial real estate. The most common amount of actual value added at a new or expanded facility, which is eligible to exempt from taxation, is as follows:

YEAR ONE:	YEAR TWO:	YEAR THREE:	YEAR FOUR:	YEAR FIVE:
75%	60%	45%	30%	15%

Other types and terms of local property tax incentives are available. 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. Tax Increment Financing 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

Iowa's workers' compensation costs are among the nation's lowest. The average cost of workers' compensation insurance for manufacturers in Iowa is 28 percent lower than the national average. Iowa law provides for employer choice of doctor.

## Unemployment Insurance

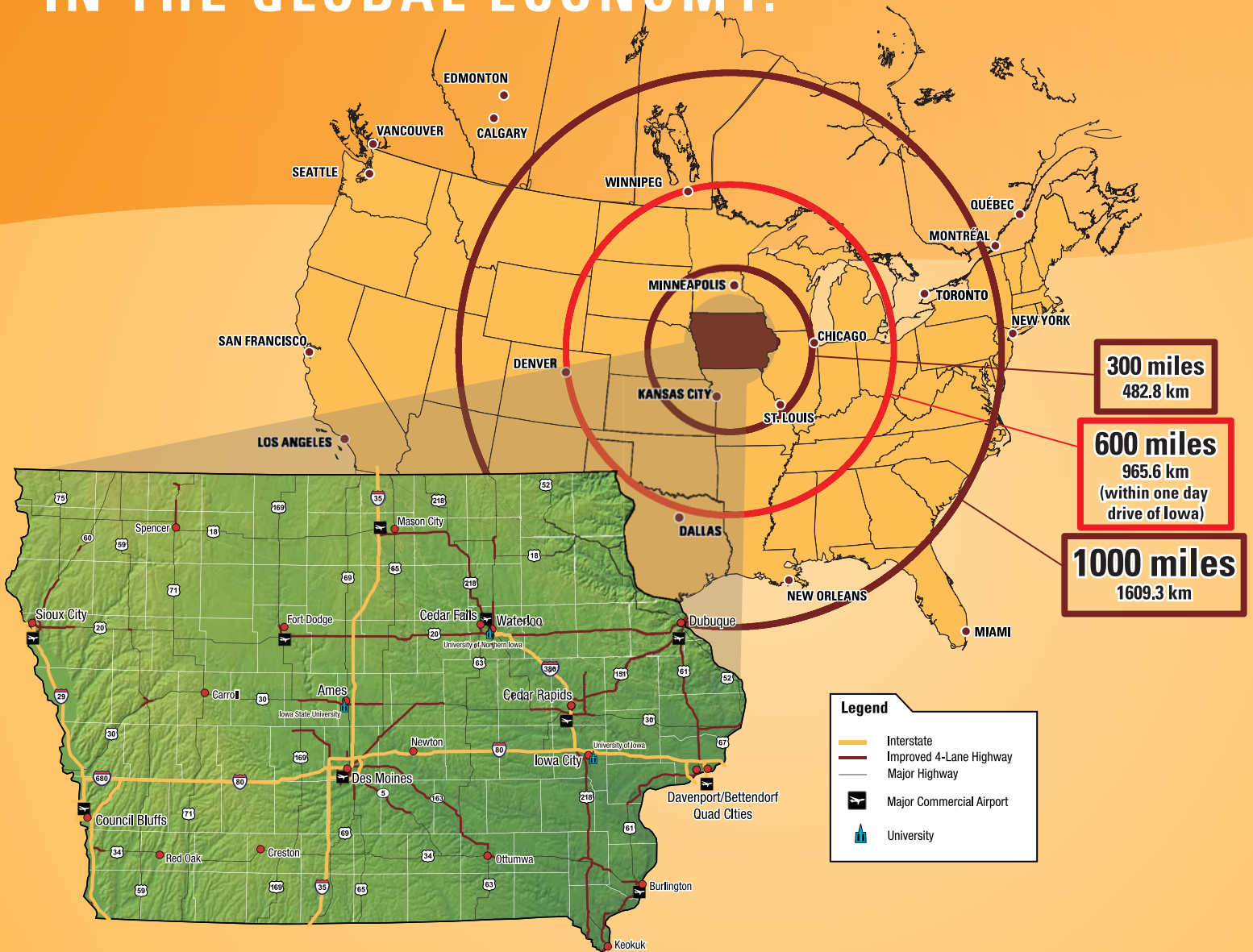
Iowa has one of the lowest new employer unemployment insurance rates in the nation. In 2008, the rate for all new non-construction businesses is one percent.

## 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.



# IOWA. PERFECTLY *positioned* IN THE GLOBAL ECONOMY.



- All nine of Iowa's largest communities ranked as Best Places for Business. (*Forbes Magazine 2008*)
- Iowa ranks first in the Midwest in terms of value-added per manufacturing worker. (*U.S. Census Bureau 2006*)
- Iowa is ranked fourth nationally in terms of the importance of manufacturing to the state's economy. (*Bureau of Economic Analysis 2007*)
- The state is home to 30 of the 100 largest food manufacturers in the world. (*Food Processing Magazine 2007*)
- Iowa's insurance industry ranks second highest in the nation in terms of importance to the state's GDP. (*Bureau of Economic Analysis 2006*)
- Iowa has the seventh highest number of science and engineering degrees awarded per 100,000 residents. (*National Science Foundation Science and Engineering Indicators 2008*)
- Iowa is 10th in the nation in amount of funding per capita for Research and Development at the academic level. (*Development Report Card for the States 2007*)
- Iowa ranks as the ninth Smartest State in the nation from the 2006-2007 Smartest State Awards. The award is based on 21 factors. (*Morgan Quitno's Education State Rankings 2006-2007*)
- Iowa has the third highest labor participation rate in the country. 80.8 percent of the population is in the labor force. (*U.S. Census Bureau 2006*)
- Davenport-Moline-Rock Island, Des Moines, and Omaha-Council Bluffs are listed as five-star logistics metros. (*Logistics Quotient -Expansion Management 2007*)
- All nine of Iowa's metros are listed as Five-Star communities for Quality of Life. (*Quality of Life Quotient-Expansion Management 2007*)

[www.IOWA life changing.com](http://www.IOWA life changing.com)

# THE CLOSER YOU LOOK, THE MORE IOWA *grows* ON YOU.

Find out why Iowa is the right choice for your company. Call the Iowa Department of Economic Development and allow a project manager to provide customized information to meet your needs. Visit [iowalifechanging.com](http://iowalifechanging.com) to find the latest information on Iowa's business climate, assistance programs, development news, available buildings and sites and much more. Our services are free of charge and all inquiries will be handled confidentially.

## **Iowa Department of Economic Development**

200 East Grand Avenue • Des Moines, Iowa, 50309 U.S.A.

**International:** 1.515.242.4896

**Domestic:** 1.800.245.4692

[www.iowalifechanging.com](http://www.iowalifechanging.com)



**IOWA**  
*life* | changing®

