

AVAILABLE INCENTIVES OVERVIEW

★ FREEPORT EXEMPTIONS

This inventory tax exemption provides tax relief for products held less than 175 days and shipped out of state. Freeport exemptions are available from:

- Waxahachie Independent School District, and
- City of Waxahachie

★ COMMUNITY DEVELOPMENT SALES TAXES

Type "B" 0.5% sales tax is collected to fund community development projects in Waxahachie and encourage business retention, expansion, and recruitment.

★ TAX ABATEMENT

This incentive is considered for business retention, expansion, and recruitment and is offered on a case-by-case basis.

- The City of Waxahachie will consider a tax abatement for projects with a minimum investment of \$2,000,000 in capital improvements and the creation of 10 or more fulltime employment positions.
- Ellis County will consider tax abatements for projects with a minimum investment of \$1,000,000 and the creation of a minimum of 26 new fulltime employment positions. Percent of value to be abated ranges from 35% to 70%.

★ FOREIGN TRADE ZONE

A Foreign Trade Zone (FTZ) is an area geographically located within the United States, where foreign and domestic merchandise are considered part of international commerce and as such, not within U.S. customs territory. Merchandise brought into a FTZ can delay payment of customs duties and excise taxes. The City of Waxahachie will create a sub-zone from FTZ 113 located in Ellis County.

★ TEXAS ENTERPRISE ZONE

- The Texas Enterprise Zone program is an economic development tool for local communities to partner with the State of Texas to encourage job creation and capital investment in economically distressed areas of the state.
- Designated projects are eligible to apply for state sales and use tax refunds on qualified expenditures. The level and amount of refund is related to the capital investment and jobs created at the qualified business site.

Level of Capital Investment	Maximum number of jobs allocated	Maximum potential refund	Maximum refund per job allocated
\$40,000 to \$399,999	10	\$25,000	\$2,500
\$400,000 to \$999,999	25	\$62,500	\$2,500
\$1,000,000 to \$4,999,999	125	\$312,500	\$2,500
\$5,000,000 to \$149,999,999	500	\$1,250,000	\$2,500
Double Jumbo Project \$150,000,000 to \$249,999,999	500	\$2,500,000	\$5,000
Triple Jumbo Project \$250,000,000 or more	500	\$3,750,000	\$7,500

★ **SKILLS DEVELOPMENT FUND**

The Skills Development Fund assists businesses by designing, financing, and implementing customized job training programs in partnership with public community and technical colleges for new or existing jobs in local businesses. This fund successfully merges business needs and local job training opportunities into a winning formula for people to work. Navarro College has partnered with a number of area businesses to provide job training for their employees.

★ **TEXAS CAPITAL FUND**

The Texas Department of Economic Development’s program offers infrastructure and real estate development matching grants. The business must create or retain jobs of which 51 percent or more must qualify as jobs for low and moderate-income persons.

★ **TEXAS ENTERPRISE FUND**

The Texas Enterprise Fund can be used for a variety of economic development projects, including infrastructure development, community development, job training programs, and business incentives. To be eligible for Texas Enterprise Fund support, a project must demonstrate a significant return on the state's investment and strong local support.

★ **CHAPTER 380 AGREEMENT**

Chapter 380 authorizes Texas municipalities to provide assistance for economic development. Texas cities may provide monies, loans, city personnel, and city services for promotion and encouragement of economic development. Nonetheless, the programs must serve the purpose of promoting state or local economic development by stimulating business and commercial activity within the city, within the extraterritorial jurisdiction (or “ETJ”) of the city, or an area annexed by the city for limited purposes.