



# STATE INCENTIVES & FINANCING

*Texas invests in its future by offering competitive incentives to companies that create jobs and drive innovation. The following incentives are the most commonly applied offerings.*

## COMMUNITY INCENTIVES

- ☑ **Local funding** to business-related infrastructure and recruitment, equipment, land and economic development purposes.
- ☑ **Property tax abatements**
- ☑ **Permitting fee waivers**
- ☑ **Local cash grants**

## GRANTS

*From public infrastructure projects in non-entitlement communities, to cancer research and laboratory facility construction, several types of grants are available to Texas communities and businesses.*

**Texas Enterprise Fund:** The Texas Enterprise Fund (TEF) is one of the nation's largest "deal closing" funds created to attract businesses and new jobs to Texas. Since the program's inception, the TEF has awarded approximately \$595 million to companies that have committed to an expansion or relocation in Texas.

**Skills Development Fund:** The Skills Development Fund is Texas' premier workforce development program created to assist Texas community and technical colleges with financing for customized job training for Texas businesses and workers.

**Governor's University Research Initiative:** In 2015, Governor Greg Abbott passed legislation to create a new Governor's University Research Initiative (GURI), which allocated \$40 million to attract and recruit top researchers to Texas' higher education institutions.

**Texas Capital Fund Infrastructure Program:** Provides financial resources to non-entitlement communities for public infrastructure projects needed to assist businesses.

**Texas Capital Fund Real Estate Development Program:**

Loans provide capital to Texas communities at favorable market rates.

**Cancer Prevention & Research General Obligation Bonds:**

Funding opportunities for promising cancer research and prevention programs.

**Defense Economic Adjustment Assistance Grant Program:**

A job creation grant program designed to assist defense communities impacted by Base Realignment and Closure (BRAC) activity, or reduction or termination of defense contracts.

## FINANCING

*Texas is committed to providing and facilitating funding for companies and communities with expansion and relocation projects in the state. Asset-based loans for companies, leveraged loans to communities and tax-exempt bonds are just a few means of obtaining the capital necessary for a successful project.*

**Texas Product/Business Fund:** Asset-backed financing for companies in Texas to promote job retention and creation.

**Texas Leverage Fund:** Allows communities to leverage future sales tax revenues to support job retention or creation.

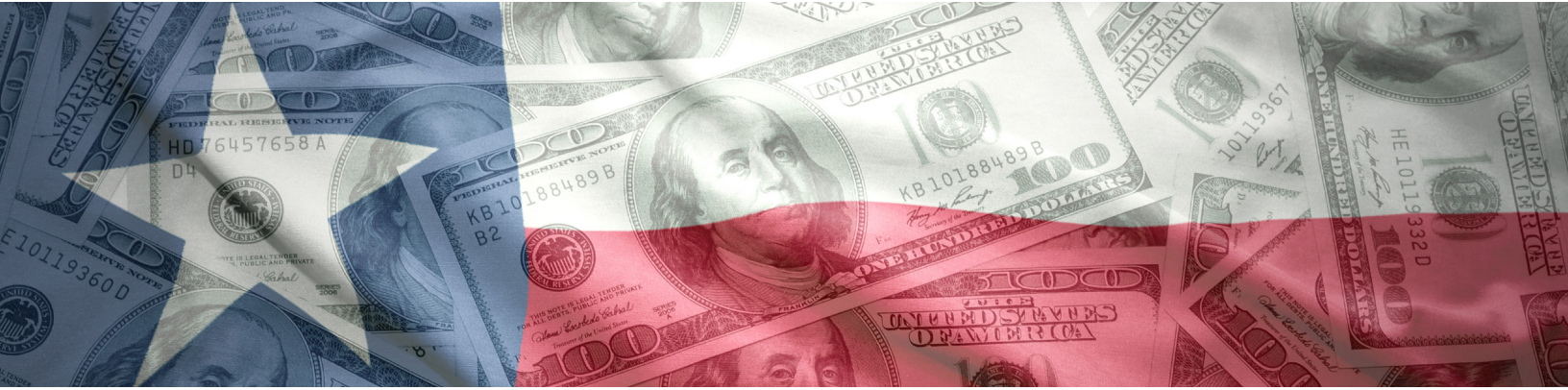
**Industrial Revenue Bond Program:** Provides tax-exempt or taxable financing for eligible industrial or manufacturing projects.

**Texas Military Value Revolving Loan Fund:** Financing for defense communities for job creation and infrastructure projects.

**CAPCO:** Providing alternative sources of venture capital to Texas entrepreneurs.



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## TAX INCENTIVES

*Texas and local communities offer a variety of tax incentives and innovative solutions for businesses expanding in or relocating to Texas.*

**Texas Enterprise Zone Program:** State sales and use tax refunds to promote job creation and investment that will assist economically distressed areas of the state.

**Manufacturing Exemptions:** State sales and use tax exemptions for tangible property, natural gas and electricity.

**Value Limitation and Tax Credits (Texas Economic Development Act):** An appraised ten-year limitation to the local school district maintenance and operations tax portion of the property tax.

**Freepoint Exemptions:** Tax exemption for certain goods that enter and leave Texas within 175 days.

**Pollution Control Equipment Incentive:** Tax exemption for property that is for pollution control purposes.

**Renewable Energy Incentives:** Tax exemptions and deductions for solar, wind, ethanol and biodiesel.

**Defense Economic Readjustment Zone Program:** A tax refund program for business recruitment and job creation in adversely impacted defense-dependent communities.

**Research & Development Tax Credit:** Gives companies a choice between a franchise tax credit and a sales tax exemption for materials, software, and equipment used for R&D purposes.

**Data Center Tax Incentives:** Allows qualifying data centers to receive sales and use tax exemption on tangible personal property.

**Business Relocation Tax Deduction:** Allows a company relocating its headquarters from out of state to Texas to deduct relocation and moving expenses from their margin when calculating franchise tax liability.

## CONTACT US



**Office of the Governor**  
**Economic Development & Tourism Division**

The Governor's Office of Economic Development and Tourism (EDT) serves as the state's leading economic development organization marketing Texas as the world's premier business investment destination. The division pursues business expansion and relocation prospects, with the goal of developing job creation and export opportunities for the Texas business community.

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