



## ECONOMIC INCENTIVES

Creating jobs and boosting local economies are of primary importance to legislators in virtually every state. As a result, states spend billions of dollars a year on tax credits, deductions and exemptions meant to encourage businesses to create or retain jobs and make investments. When designed and managed well, incentives can strengthen a state's economy.

While the amount of incentives varies, every state has at least one tax incentive program for economic development. Even traditionally low-tax states are offering incentives creating a subsidy bidding war.

Source: Pew Institute



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## MINNESOTA UPDATE

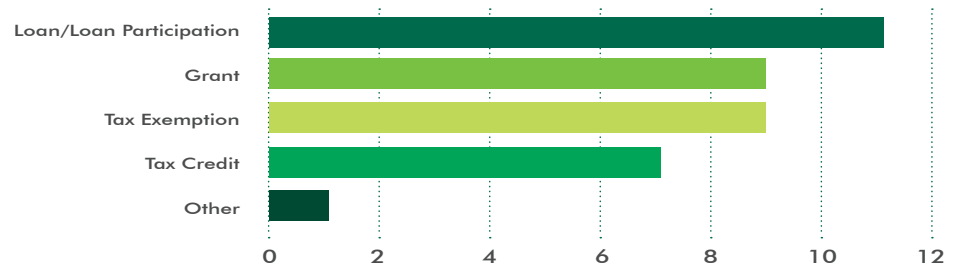
In 2013, the Minnesota legislature approved the \$24 million Minnesota Job Creation Fund (MJCF). The new fund offers up to \$2 million to businesses that meet certain criteria. The MJCF will replace the state's JOBZ program and is estimated to create 5,000 new jobs and 450 million dollars in private investment.

## RECENT MINNESOTA INCENTIVE DEALS

- Baxter - Brooklyn Park  
\$4,090,000
- Emerson - Shakopee  
\$3,820,000
- Shutterfly - Shakopee  
\$2,900,000
- CSI - New Brighton  
\$2,750,000
- Sanmar - Shakopee  
\$1,500,000
- DC Group - Minneapolis  
\$1,407,900
- Datacard - Shakopee  
\$1,159,193
- Trystar - Shakopee  
\$1,000,000
- Wurth Adams - Brooklyn Park  
\$990,000

## TOP 5 PROGRAM TYPES IN MINNESOTA

(BY # OF PROGRAMS)



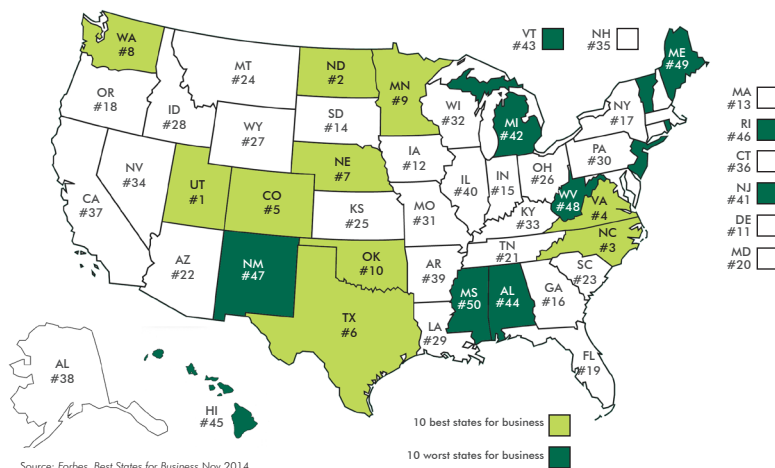
Source: StateIncentives.org, Sept 2014

Total dollar amount includes all loans, grants, tax exemptions, tax credits, and any other financing received by the company from state or local agencies.

## MINNESOTA'S DIRECT FINANCIAL INCENTIVE PROGRAMS

- Job Creation Fund
- Minnesota Investment Fund
- Angel Investment Tax Credit
- Angel Loan Fund
- Research and Development Tax Credit
- Data Center Incentive Program
- Job Opportunity Building Zone (JOBZ) Program
- Minnesota Job Skills Partnership
- Small Business Development Loan Program
- Greater Minnesota Business Development Public Infrastructure Grant Program
- Innovative Business Development Public Infrastructure Program

## 2014 STATE BUSINESS TAX CLIMATE INDEX



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