



Economic Development Council of Seattle & King County

Incentives

Strategic Reserve Fund (SRF) Grant

The Governor's Strategic Reserve Fund is a discretionary tool for the purpose of creating and retaining jobs in the state. The funds can be used for workforce development, technical or planning assistance, environmental analysis, or relocation assistance.

State Machinery and Equipment Sales/Use Tax Exemption

Pursuant to RCW 82.08.02565, manufacturing equipment (and associated research/lab equipment) purchased for a company's new manufacturing facility is exempt from sales and use tax in Washington.

State BioTech Manufacturers Deferral

Pursuant to RCW 82.76.030, the State will defer or waive sales and use taxes on investments in construction or renovation of structures or machinery used for biotechnology manufacturing. Application must be made and approved prior to starting construction. This deferral is scheduled to expire January 1, 2017.

Industrial Revenue Bonds

Ten public corporations in King County plus the Washington Economic Development Finance Authority issue tax-exempt Industrial Revenue Bonds (IRBs) on behalf of private companies. The key advantage to this type of financing is that interest payments to IRB buyers are not subject to federal income tax. Because of this tax-exempt status, bond buyers are willing to accept lower rates of interest on the bonds, thus potentially reducing the project financing costs for your client.

Transportation Subsidies

The State's Commute Trip Reduction program allows for up to \$200,000 in savings for corporations that provide commute trip reduction incentives, such as a subsidized bus pass, to their employees. Companies are eligible for 50% of the benefit cost, up to a maximum of \$60 per employee per year, which may be taken as a Business & Occupation tax credit or a public utility tax credit.

Employee Training

Washington employers can access over thirty state and federal programs to assist in accessing labor market information, recruiting new employees and designing customized training.

Foreign Trade Zone

Foreign-Trade Zones (FTZs) are designated, secure sites physically located inside the borders of the United States but considered outside of U.S. Customs territory. The Port of Seattle's Foreign Trade Zone #5 encompasses all of King County. A company can apply to designate part or all of their own facility as an FTZ. Under the Port's Alternative Site Framework (ASF), businesses in King County engaged in importing, exporting, assembly, warehousing and distribution can apply for expedited approval through the Port's FTZ program. Approvals are made in 30 days or less.

WA Economic Development Finance Authority

The Washington Economic Development Finance Authority (WEDFA) is a public corporation of the state authorized to issue nonrecourse tax-exempt and taxable economic development revenue bonds. The Tax-Exempt Manufacturing and Processing Equipment Financing Program (TEMPE) allows bond interest to be exempt from federal income tax. This program is designed for equipment financings of \$250,000 or greater.

Community Economic Revitalization Board

When access roads and rail lines, sewer and water extensions, or some other public improvement is needed to spur private sector investments in King County, the revolving loan and grant program of the Community Economic Revitalization Board may be utilized. CERB monies are awarded to local communities on an "as needed" basis for public works projects.

Community Empowerment Zones

Community Empowerment Zones have been established in parts of Seattle and in White Center in King County. Firms locating in a Community Empowerment Zone, or in a county containing a Community Empowerment Zone, may qualify for the Distressed Area Sales and Use Tax Deferral/Exemption Program if at least 75% of the jobs created are filled by residents from the Community Empowerment Zone.

Venture Capital

The Seattle area has recently seen the arrival of several high-profile venture capital and investment banking firms, as well as the rise of large, local venture capital funds. Venture capital firms put more than \$929 million into Washington start-up companies in 2012.

Life Sciences Discovery Fund

The Life Sciences Discovery Fund (SLDF) was established in 2005 by the Governor and Washington's Legislature to foster growth of the state's life sciences sector and improve the health and economic wellbeing of its residents. LSDF invests monies from the Master Tobacco Settlement Agreement in research and development across Washington that demonstrate the strongest potential for delivering health and economic returns to the state.

Additional Incentives

Some of our King County cities are able to waive their local B&O tax on a case-by-case basis, and some provide expedited permitting and infrastructure investment.