



Iowa Area Development Group (IADG), on behalf of our utility sponsors, has assembled a statewide network of partners and resources to support your next project. Our services are free and confidential. Here are just a few of the business advantages and resources that are available.

IOWA BUSINESS ADVANTAGES

Sales Taxes:

- Special Sales Tax Exemption on Services
- Sales Tax Exemption for Machinery & Equipment
- Replacement Parts for Processors
- Dock to Dock Machinery & Equipment Exemptions
- Sales Tax Exemptions on Utility Usage

Income Taxes:

- Single Factor Apportionment
- S-Corps Can Apportion
- Refundable Research & Development Credit
- Federal Income Tax Deductibility

Other Tax Benefits in Iowa:

- No Property Tax on Machinery & Equipment
- Fuel Tax Exemption for Truck Idling
- Fuel Tax Exemption for Off-Road and Refrigeration Trailer Usage

Credit & Incentives:

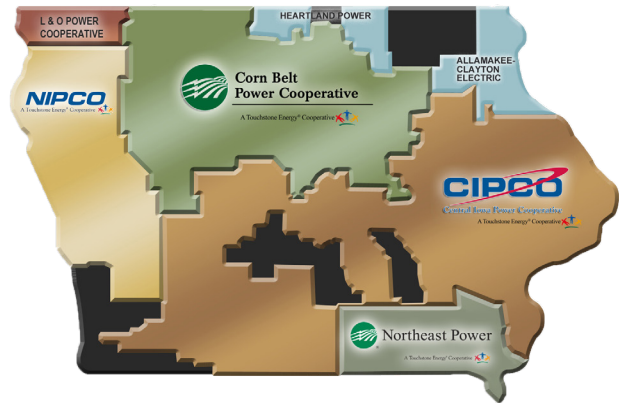
- Refundable Research Activities Credit
- Sales Tax Exemption on New Construction Materials
- Job Training Credit

CUSTOM BUSINESS ANALYSIS

IADG has identified up to 8 categories that are critical to location decisions, and can offer a custom analysis and accurate comparison of the annual tax and business costs of your current location compared to a potential Iowa location.

These categories are:

- Income Taxes
- State Sales Tax
- Workers Compensation Rates
- Property Tax
- Wage Comparisons by Classification
- Utilities
- Building and Land Costs
- Incentives and Applicable Tax Credits



IADG SERVICES AND SUPPORT

Iowa Area Development Group is the business and community development leader for nearly 220 member-owned electric cooperatives, municipal utilities, and independent telecommunication companies throughout the state. Since our establishment in 1985, IADG and its member systems have assisted with over **2,450 business and community projects**. These developments represent capital investment of more than **\$13.9 billion** and **54,500 jobs created or retained** for Iowa.

At IADG, we are committed to providing consultation and assistance that helps communities and businesses achieve their project development goals. Our team of economic development professionals is knowledgeable, supportive, and accessible.

IADG Assists With:

- **Site and Building Selection**
- **Financial Incentive Packaging**
- **Technical Assistance**
- **Data Resources**
- **Marketing and Communication Services**
- **Community Resources and Services**
- **Business Recognition and Appreciation Programs**

Contact IADG today to learn more about the competitive advantages of doing business in Iowa.

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FINANCIAL INCENTIVE PACKAGING

Iowa Area Development Group (IADG) has a broad knowledge of the financial resources available at the federal, state, and local levels. Rural Iowa offers some particular advantages that should be considered. Below are programs that IADG frequently uses to assist businesses with location or expansion projects.

IADG PROGRAMS

The IADG Energy Bank Revolving Loan Fund

The IADG Energy Bank provides low interest financing for energy efficiency projects for commercial businesses; including equipment replacement, energy efficiency upgrades through facility modernization, and renewable energy initiatives.

Ripple Effect

Ripple Effect works with Iowa's Independent Telecommunication Companies (ITC) by providing direct financial assistance to emerging and expanding companies, as well as ITC business and industry customers, through low-interest loans matched by the ITC.

LOCAL PROGRAMS

Revolving Loan Funds

Locally administered revolving loan funds (RLFs) are available to support business expansions and other community development projects. IADG members operate 73 individual revolving loan funds across Iowa, capitalized at \$76 million.

Tax Increment Financing (TIF)

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.

STATE PROGRAMS

The State of Iowa offers assistance in the form of loans and/or forgivable loans, as well as tax credits; based in part on job creation, capital investment, the ability to meet certain wage standards, quality of employment, and economic benefits for the state and local community. Funds are also available for job training initiatives.

FEDERAL PROGRAMS

Rural Economic Development Loan (REDL)

REDL is a 0% Rural Economic Development Loan designed to assist job creation projects in rural areas. Rural Electric Cooperatives can apply to this unique USDA program that allows for up to \$2 million in 0% interest financing to assist with business expansion.

- **Maximum Loan Amount: \$2 million**
(Maximum Loan Amount subject to change by USDA)
- **Maximum Term: 10 years**
- **Interest Rate: 0%**
- **Maximum Payment Deferment: 24 Months**

New Markets Tax Credit

The New Markets Tax Credit (NMTC) program was created to address the lack of capital available to business and economic development ventures in federally defined "distressed census tracts" throughout the country. The NMTC provides the incentive resulting from an associated 39% federal tax credit to a qualifying investor.