

## **Business Incentives Available in Klickitat County**

Washington State has a stable, uncomplicated tax system that has remained essentially unchanged since 1935. The State's tax system features:

- \* No corporate tax
- \* No unitary tax.
- \* No inventory tax.
- \* No personal tax.
- \* No tax on interest, dividends, or capital gains.

Contact:

Klickitat County Economic Development  
131 W Court St, ms-ch-26  
Goldendale, WA, 98620  
509 773-7060  
Email: [Business@co.klickitat.wa.us](mailto:Business@co.klickitat.wa.us)  
WebLink: <http://klickitatCounty.org/business/>

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## **Business Assistance Center Finance Unit**

The Business Assistance Center (BAC) Finance Unit provides technical assistance and referrals to business owners who are seeking available finance programs on the state and local level. The BAC administers finance programs designed to increase the access to capital for small businesses. Program managers also provide technical expertise to various public agencies and private organizations.

Finance specialists help business owners and entrepreneurs obtain financing for their start-up and expansion projects. Staff members work with each business to review the project proposal, determine feasible financing alternatives, design a financing structure, prepare and assemble application material, and present the project to appropriate lending authorities. Priority projects are those that provide employment opportunities in distressed and timber-impacted areas of the state and support minority and women-owned business development.

Contact:

BAC Finance Program  
Olympia, WA  
360 753-0325

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## **Community Development Block Grant (CDBG) Float Loan Program**

The CDBG Float Loan Program provides short-term fixed-rate gap financing for business projects

which create or retain jobs for low and moderate-income people. To obtain financing, a business must be:

1. willing to make jobs available to lower income people,
2. locate in a state CDBG-eligible jurisdiction; and
3. be able to obtain an irrevocable letter of credit from a bank to secure a loan.

Contact:  
CDBG Float Loan Program  
Olympia, WA  
360 753-0325

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### **Development Loan Fund**

The Development Loan Fund provide gap financing for businesses located primarily in distressed and timber impacted areas of the state. Loans of up to \$350,000 are available for business that create or retain jobs for low and moderate income people in these areas. In addition, loans of up to \$50,000 are available for woman or minority owned businesses.

Contact:  
Development Loan Fund  
Olympia, WA  
360 586-8976

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### **Investment Tax Credits for Rehabilitation of Historic Structures**

The Office of Archeology and historic Preservation assists businesses interested in applying for investment tax credits available for the certified rehabilitation of historic structures. Staff provide technical assistance and review projects eligible for the 25 percent tax credit.

Contact:  
Office of Archeology  
Olympia, WA  
360 753-4011

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## **Section 108 Loan Guarantee**

The Local Development Assistance division may pledge future allocations of Community Development Block Grant (CDBG) dollars to guarantee qualified business loans. To qualify, businesses must have a state CDBG-eligible local government sponsor. In addition, projects must meet CDBG eligibility requirements, demonstrate a financing gap, and produce economic opportunities for low and moderate income people. The Federal Department of Housing and Urban Development makes the final decision on the guarantee once the state CDBG pledge is in place.

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Goldendale, WA

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## **Sales and Use Tax Exemptions**

Sales and use tax exemptions are available to manufacturing, research and development and computer-related service businesses locating or expanding their work force, machinery and equipment and plant complex in Klickitat County.

One full time employment position must be created by the end of the third year for every \$750,000 of capitalized project costs. Under the program, the business must invest in machinery, equipment and plant by either: constructing a new building; Leasing a newly-constructed, previously unoccupied building; Purchasing an unoccupied building or; Expand or modernize an existing building with costs in excess of 25 percent of the value prior to improvement.

A business must submit an application to the Washington State Department of Revenue for approval before construction begins or machinery or equipment is acquired.

Washington State Department of Revenue

Contact Phone Numbers:

800 233-6349 or 800 647-7706 (within Washington)

<http://dor.wa.gov/index.asp>

Contact:

Klickitat County Economic Development - Goldendale

509-773-7060

Email: [Business@co.klickitat.wa.us](mailto:Business@co.klickitat.wa.us)

WebLink: <http://KlickitatCounty.org/Business/>

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## **Sales and Use Tax Exemptions Assistance**

Assistance with Washington State Department of Revenue Sales and Use Tax Exemptions Program described above.

Washington State Department of Community, Trade and Economic Development

<http://www.wa.gov/cted/>

Contact:

Klickitat County Economic Development

Goldendale, WA

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## **Business and Occupation Tax Credit**

This program allows a credit against the B&O Tax for manufacturing, research and development and computer-related service business for each new employment position created, or if the existing work force is increased by 15 percent over the average number of full-time employment positions maintained in the prior year.

A business may receive a B&O tax credit of \$2,000 for each new full-time employment position, with annual wages and benefits of \$40,000 or less, expected to be filled during the year the application is made; or a credit of \$4,000 for each new employment position with wages and benefits over \$40,000 annually. These new positions must be maintained for 12 consecutive months. The business must create and fill enough new positions to meet the 15 percent increase by December 31 of the year credits are applied for. A business must submit an application to the Washington State Department of Revenue prior to filling new positions. Businesses who have applied for the sales and use tax exemptions program may also apply for the B&O tax credit. A maximum credit of \$300,000 is allowed.

Washington State Department of Revenue

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Goldendale, WA

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## **Infrastructure Development**

To facilitate the location and expansion of industry, Washington State has created a special contingency fund to finance local public improvements required for development. The Community Economic Revitalization Board (CERB) administers the development fund for the state. CERB monies are awarded as loans, or in special cases grants, to local governments on an as-needed basis for public works projects. Eligible activities include access roads, sewer and water extensions and other public improvements.

In order to stimulate a significant level of investment and job creation, CERB has established general funding guidelines which take into account the following:

- \* Number of jobs to be created
- \* Economic diversification potential
- \* Public and Private sector capital commitment
- \* Feasibility of project completion
- \* Ability of applicant to repay

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## **Mid-Columbia Economic Development District Revolving Loan Fund**

The Mid-Columbia Economic Development District (MCEDD) has operated a Revolving Loan Fund (RLF) Program since 1980. To date, MCEDD's RLF Program has made loans totaling \$2,071,948 to new and expanding companies throughout the Columbia Gorge Region. In general, loan amounts range from \$10,000-\$75,000 and are for terms of 5 to 20 years. Eligible applicants are for profit firms conducting business in the manufacturing, value-added processing, service or retail sectors. RLF monies are used to leverage private and commercial lender dollars, encouraging other lenders to participate in a project.

Contact:

Mid Columbia Economic Development District

515 E. 2nd St.

The Dalles, OR, 97058

541 296-2266 Extension: 208

WebLink: <http://www.mcedd.org>