



Global Location and Expansion Services (GLES)

## **Massachusetts Alliance For Economic Development 14<sup>th</sup> Annual Conference**

### **Competitive Location Issues**

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Tax

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# Key Project Drivers for Our Clients

- Technology and Talent
- Business and Labor Costs
- Taxes and Incentives
- Government Responsiveness
- Environment and Quality of Life

# Area Development 2006 Survey

## Leading Site Selection Criteria

### **Corporate Survey**

1. Labor Costs
2. Highway Accessibility
3. Corporate Tax Rate
4. State and Local Incentives
5. Telecom Services
6. Tax Exemptions
7. Real Estate Costs
8. Availability of Skilled Labor
9. Energy Costs and Availability
10. Internet Services

### **Consultants Survey**

1. Highway Accessibility
2. State and Local Incentives
3. Labor Costs
4. Availability of Land
5. Availability of Skilled Labor
6. Proximity to Major Markets
7. Real Estate Costs
8. Tax Exemptions
9. Telecom Services
10. Internet Services

# Massachusetts Technology Advantage

- Boston # 2 US City for Bio – Site Selection , 2007
- Massachusetts #2 Bio State – Business Facilities, 2007
- Recent Bio Project Announcements by
  - BMS (Devens)
  - Eisai (Andover)
  - Millipore (Bedford)
  - Organogenesis (Canton)
  - Astra Zeneca (Boston)
  - Bayer (Walpole)
  - Rena Med (Westborough)
- 10 of the Top 100 U.S. Universities – US News and World Report, 2006
- Boston #5 of 250 U.S. Cities for Education Attainment – Forbes. com, 2006

# KPMG's 2006 Competitive Alternatives International Business Cost Rankings

New York	112.6	San Diego, CA	103.2	Turin, IT	98.4
Frankfurt, GA	109.7	Houston, TX	102.9	Vancouver	96.9
London, UK	109.1	Philadelphia, PA	102.8	Amsterdam, NL	96.6
San Jose, CA	108.5	Providence	102.4	Tampa, FL	96.5
Yokohoma, JP	108.3	Dallas/Ft. Worth	101.2	Toronto, CA	96.5
<b>Boston, MA</b>	<b>107.7</b>	Chicago	100.8	Atlanta, GA	96.4
Seattle, WA	104.4	Paris, FR	100.2	Lyon, FR	95.1
Las Vegas, NV	103.6	Northern VA	99.8	Montreal, CA	94.3
				Singapore	77.7

# Taxes and Job Growth

## 2007 State Tax Foundation

### Overall Rank

- 4. Nevada
- 5. Florida
- 6. Texas
- 10. Oregon
- 11. Washington
- 13. Virginia
- 14. Colorado
- 19. Georgia
- 22. Pennsylvania
- 25. Illinois
- 29. Maryland
- 36. Massachusetts**
- 37. Connecticut
- 40. North Carolina
- 45. California
- 47. New York
- 48. New Jersey
- 50. Rhode Island

## 2006 FDIC State

### Job Growth

- 4.8%
- 2.7%
- 3.2%
- 2.9%
- 3.0%
- 1.7%
- 2.4%
- 2.1%
- 0.9%
- 1.2%
- 1.2%
- 1.0%**
- 1.1%
- 2.7%
- 1.9%
- 0.9%
- 0.9%
- 0.5%

# Domestic and International Incentives Competition

## I. Massachusetts Incentives Programs

- Economic Development Incentive Program
- Investment Tax Credit
- Job Incentive Program
- Workforce Training Grants
- More Jobs Program

## II. Significant Competitor Grant Programs

- New York - \$400M Grant Package to attract AMD
- Texas - \$300M discretionary “Governor's Closing Fund”
- New Jersey – 2 - 4% Annual Salary Rebates for 10 years
- Eastern Europe – 30 - 50% project investment grants depending on region

## III. Employee Training

- California – Highly funded, flexible program reimburses 50% of training costs
- New Jersey - \$20M Fund dedicated to high growth industry training including pharmaceuticals, financial services, information technology, etc.
- Kansas - \$5T per employee training available for technology companies



## IV. Tax Holidays and Tax Free Zones

- New York Empire Zone – Potential 10 year elimination of income, sales and property taxes
- Pennsylvania Keystone Opportunity Zones – Reduction or elimination of all PA state and local business taxes
- Ireland – 12.5% statutory corporate tax rate
- Singapore and Switzerland – potential to eliminate national and local income taxes for 10 years