



WORKING SESSION

INDUSTRIAL FACILITIES TAX EXEMPTION CERTIFICATE





IFT OVERVIEW

Informational & General Discussion on IFT

FOCUS

- How does the Tax Abatement Work
- Current Practice / other Municipalities
- Things to Consider

IFT PHILOSOPHY

Pro IFT

- Increases overall tax base
- Attracts businesses / Economic Development Tool
- Necessary to compete for businesses

Con IFT

- Corporate Welfare
- Doesn't attract new business / Doesn't work
- Location not based on taxes

HOW DOES THE TAX EXEMPTION WORK

The tax break is approximately 50% What does this mean?

HYPO - 5 YEAR SPAN

2015		
Vacant Land		
SEV	\$	520,000
Taxable Value	\$	125,000
(same owner/many years)		

2016		Taxable Value***
Leased		\$ 125,000
IFT Applicant		
Building	\$ 6,000,000	\$ 3,000,000

	Tax Rates	IFT Rate
2016	6.5479	3.2740
2017	6.4887	3.2444
2018	6.3115	3.1558
2019	6.3315	3.1658
2020	6.3315	3.1658

NO ABATEMENT - VACANT						TOTAL
	2016	2017	2018	2019	2020	
Land	\$ 818	\$ 811	\$ 789	\$ 791	\$ 791	\$ 4,001

LAND LEASED WITH ABATEMENT						TOTAL
	2016	2017	2018	2019	2020	
Land	\$ 818	\$ 811	\$ 789	\$ 791	\$ 791	
Building	\$ 9,822	\$ 9,733	\$ 9,467	\$ 9,497	\$ 9,497	
TOTAL	\$ 10,640	\$ 10,544	\$ 10,256	\$ 10,289	\$ 10,289	\$ 52,018

NO ABATEMENT - NEW BUILDING						TOTAL
	2016	2017	2018	2019	2020	
Land	\$ 818	\$ 811	\$ 789	\$ 791	\$ 791	
Building	\$ 19,644	\$ 19,466	\$ 18,935	\$ 18,995	\$ 18,995	
TOTAL	\$ 20,462	\$ 20,277	\$ 19,723	\$ 19,786	\$ 19,786	\$ 100,035

**disclaimer

*****numbers are rounded

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Land	\$ 818	\$ 811	\$ 789	\$ 791	\$ 791	
Building	\$ 39,287	\$ 38,932	\$ 37,869	\$ 37,989	\$ 37,989	
TOTAL	\$ 40,106	\$ 39,743	\$ 38,658	\$ 38,780	\$ 38,780	\$ 196,068

**disclaimer

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CURRENT PROCESS

Business meets with Township Representatives

Application brought to the Board

Other Municipalities

THINGS TO CONSIDER

- Type of Business
- Total Investment
- Number and types of jobs brought
- New or Existing
- Property owned or leased
- Ties to the Township (HQ or sister co.)
- Transfers
- Personal Property
- Extension
- Limitation on number of years



FUTURE SESSION

Potential/Suggestions

Future discussion

Outline of Guidelines

Potential Policy