



BusinessScene

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CA Competes Tax Credits **Update**

The January issue of *BusinessScene* discussed two of the new programs for businesses through the Governor's Office of Business and Economic Development (GO-Biz); as the date to submit applications for the **CA Competes Tax Credits** program is approaching, we want to keep Camarillo business owners aware of the process.

Again, CA Competes is an income tax credit for existing businesses that are expanding, or for companies that are relocating to California. Tax credit agreements will be negotiated by a GO-Biz committee and the individual businesses. The credits will be applied to the state portion of income tax. Credits are non-refundable, and if a credit exceeds the amount of tax owed by a business, the excess portion can be carried over to the following year (and an additional five years, if necessary).



CA Competes will start in July. The application period is anticipated to begin later this month, or in April. The amount of statewide credits available will increase over several years:

- \$30 million in fiscal year (FY) 2013-14.
- \$150 million in FY 2014-15.
- \$200 million in each year, from FY 2015-16 through FY 2017-18.

There is no application fee for CA Competes, and any business can apply for the tax credits. The amount of tax credit available to an individual business will be based on a set of criteria, including:

- The number of jobs the business will create or retain in California.
- Compensation paid by the business to its employees, including wages and benefits.
- Amount of investment in the state by the business.
- Unemployment or poverty where the business is located.
- Incentives available to the business from state or local governments, and other agencies.
- Incentives that are available to the business in other states.
- Timeframe that the business commits to remain in California.
- Overall economic impact of the business.
- Strategic importance of the business.
- Opportunity for future growth and expansion.
- Projected benefit to the state compared to the benefit to the business from the tax credit.



Small businesses should certainly consider applying for the CA Competes program. Up to 25% of the tax credits in any given fiscal year are being set aside for smaller businesses (those with gross receipts of less than \$2 million in the previous taxable year).

The local agency that will be available to assist Camarillo businesses with the CA Competes application process is the Economic Development Collaborative of Ventura County, at 384-1800 or www.edc-vc.com. Please visit the GO-Biz website (www.business.ca.gov) for more information about CA Competes, including application and filing date.