



AVAILABLE INCENTIVES OVERVIEW

★ FREEPORT EXEMPTIONS

This inventory tax exemptions provides tax relief for products held less than 175 days and shipped out of state.

- Midlothian Independent School District
- City of Midlothian

★ ECONOMIC DEVELOPMENT SALES TAXES

These sales taxes are collected to encourage business retention, expansion, and recruitment; as well as, to fund community development projects in Midlothian.

- 4A Economic Development Sales Tax \$.005 (Corporation for the Economic Development of Midlothian)
- 4B Economic Development Sales Tax \$.005 (Midlothian Community Development Corporation)

★ TAX ABATEMENT

This incentive considered for business retention, expansion, and recruitment is offered on a case-by-case basis.

- City of Midlothian will consider tax abatement for projects with a minimum investment of \$1,000,000 in capital improvements and the creation of 25 or more fulltime employment positions.
- Ellis County will consider tax abatements for projects with a minimum investment of \$1,000,000 and creation of 26 new fulltime employment positions. Percent of value to be abated ranges from 35% to 70%.

★ INDUSTRIAL DEVELOPMENT BONDS

The Midlothian Industrial Development Corporation is a non-profit industrial development corporation that can issue tax-exempt or taxable revenue bonds. Projects must promote the development or expansion of manufacturing and industrial facilities in Midlothian.

★ FOREIGN TRADE ZONE

A Foreign Trade Zone (FTZ) is an area geographically located within the United States, where foreign and domestic merchandise are considered part of international commerce and as such, not within U.S. customs territory. Merchandise brought into a FTZ delay payment of customs duties and excise taxes.

- The U.S. Foreign Trade Zone #113 is located in Midlothian. This 600-acre has direct access to dual rail service and is in close proximity to all major highways.

★ **TEXAS ENTERPRISE ZONE**

- Refund of state sales or use taxes paid on machinery and equipment, building materials, and electricity and natural gas purchased for use in Rail Port.
- Reduction of electric utility rate.
- Designated projects are eligible to apply for state sales and use tax refunds on qualified expenditures. The level and amount of refund is related to the capital investment and jobs created at the qualified business site.

Level of Capital Investment	Maximum number of jobs allocated	Maximum potential refund	Maximum refund per job allocated
\$40,000 to \$399,999	10	\$25,000	\$2,500
\$400,000 to \$999,999	25	\$62,500	\$2,500
\$1,000,000 to \$4,999,999	125	\$312,500	\$2,500
\$5,000,000 to \$149,999,999	500	\$1,250,000	\$2,500
Double Jumbo Project \$150,000,000 to \$249,999,999	500	\$2,500,000	\$5,000
Triple Jumbo Project \$250,000,000 or more	500	\$3,750,000	\$7,500

★ **ELLIS COUNTY RURAL RAIL DISTRICT**

This railroad system can acquire and improve light density lines. It can also issue revenue bonds to finance acquisition and construction. The District has eminent domain powers but cannot levy or collect Ad Valorem Taxes. The District charges rents that is sufficient to maintain their properties and pay off their bonds. The District can subsidize an economically non-viable freight operation if there is a source of government funding.

★ **EMPLOYEE DEVELOPMENT FUND**

The North Central Texas Employee Development Fund will assist businesses and labor by designing, financing, and implementing customized training projects in partnership with community and technical colleges for new or existing jobs in local businesses. This fund will merge business needs and local training opportunities to fit the express needs of our Texas businesses into a winning formula for putting people to work. These training services may be provided to employers and eligible current and/or new employees in Collin, Denton, **Ellis**, Erath, Hood, Hunt, Johnson, Kaufman, Navarro, Palo Pinto, Parker, Rockwall, Somervell, and Wise counties as funds are made available by the federal government.

★ **SKILLS DEVELOPMENT FUND**

The Skills Development Fund assists businesses and labor unions by designing, financing, and implementing customized job training programs in partnership with public community and technical colleges for new or existing jobs in local businesses. This fund successfully merges business needs and local job training opportunities into a winning formula for people to work.

★ **TEXAS CAPITAL FUND**

The Texas Department of Economic Development's program offers infrastructure and real estate development matching grants. The business must create or retain jobs of which 51 percent or more must qualify as jobs for low and moderate-income persons.

★ **TEXAS ENTERPRISE FUND**

The Texas Enterprise Fund can be used for a variety of economic development projects, including infrastructure development, community development, job training programs, and business incentives. To be eligible for Texas Enterprise Fund support, a project must demonstrate a significant return on the state's investment and strong local support.

★ **4A CASH FORGIVABLE LOAN**

The Forgivable Cash Loan is directly tied to a Construction Incentive and a Job Creation Incentive. This cash incentive is provided at the time of the CO and can be used by the company for land, building purchase, lease or construction, fixed capital equipment purchase, infrastructure construction or upgrade, employee training and related expenses, relocation and moving expenses for the company or employees or reimbursements of permit and impact fees or other business related items agreed to between the CEDM and the company.

★ **CHAPTER 380 AGREEMENT**

Chapter 380 authorizes Texas municipalities to provide assistance for economic development. Texas cities may provide monies, loans, city personnel, and city services for promotion and encouragement of economic development. Nonetheless, the programs must serve the purpose of promoting state or local economic development by stimulating business and commercial activity within the city, within the extraterritorial jurisdiction (or "ETJ") of the city, or an area annexed by the city for limited purposes.