

City of Fairfield

State and Local Incentives



State and Local Government Programs

California Competes Tax Credit

The California Competes Tax Credit is a negotiable, non-refundable income tax credit that can be carried forward for 6 years. The credit is awarded to businesses that want to create jobs in California. The dollar value of the credit and the timeframe in which the credit may be taken are specified in the agreement. The credit is awarded through a competitive process, with three rounds of applications planned per year. The program is capped at \$200 million for this fiscal year 2016/17. There is a "set-aside" amount for small businesses, roughly 25% of the total credits for the fiscal year. Tax credit agreements will be negotiated by the Governor's Office of Business and Economic Development (GO-Biz) and approved by the "California Competes Tax Credit Committee."

Research & Development (R & D) Tax Credit

The R & D Tax Credit is a non-refundable tax credit that can be applied towards income or franchise tax. You may qualify for the credit if you paid or incurred qualified research expenses while conducting qualified research activity in California. You may receive 15 percent of the excess of current year research expenditures over a computed base amount (minimum of 50 percent of current year research expenses) or a 24 percent credit for basic research payments to third party organizations. You may claim the credit on the return for the taxable year you incurred the qualified expenses.

Manufacturing and R & D Sales Tax Exemption

The Manufacturing and R & D Tax Exemption is a sales and use tax exemption for qualifying manufacturing and research & development equipment. Currently California imposes a statewide sales and use tax rate of 7.5% (plus applicable district tax) on sales and leases of property. Businesses would only pay 3.3125% of the statewide sales and use tax, saving \$41.88 for every \$1,000 in purchases of qualifying property. The exemption is available for businesses operating under specific NAICS codes.

Pacific Gas & Electric (PG&E) Economic Development Rate

The discounted Economic Development Rate is a 12 percent rate reduction for five years. Qualified employers are those that establish or expand a facility that will utilize at least 200 Kw of power and are creating or retaining jobs within California rather than out of the state. Eligibility is determined by the Governor's Office of Business and Economic Development.

Employment Training Panel (ETP)

ETP provides an on-going reimbursement for training and retraining costs at an average of \$15 to \$22 per hour per employee. Contracts are established with ETP for a two-year period, with an agreed upon reimbursement rate and hours of total training. ETP representatives provide the tools necessary to track training and request reimbursements. Additional funding for specialized training is also available.

Building Fee Deferral and Financing

The City of Fairfield has the ability to defer building permit fees until the Certificate of Occupancy is issued. The City also has the ability to finance eligible permit fees utilizing the Statewide Community Infrastructure Program (SCIP). Fees can be financed for up to 30 years utilizing the program.

California Infrastructure and Economic Development Bank (IBank)

The California IBank has the broad authority to issue tax-exempt and taxable revenue bonds, provide financing to public agencies, provide credit enhancements, acquire or lease facilities and leverage State and Federal funds.

City of Fairfield Revolving Loan Fund (RLF)

Funded by Community Development Block Grants (CDBG), the RLF can provide low interest financing for commercial, industrial, retail and service projects. The RLF is designed to provide start-up or growth capital to small businesses with the potential of long-term job creation and high economic impact.

