



LA County Business Connect

Helping Business Thrive in LA County

GEDI—Bolstering business and putting Californians back to work.

New California tax incentives from the Governor's office are set to reshape and strengthen the state's economic development tax programs. Building upon the framework of existing targeted programs, these bills redirect roughly **\$750 million annually** from the Enterprise Zone program to three new business incentive programs.

Known as AB93 and SB90, the GEDI or Governor's Economic Development Initiative replaces the tax incentives and hiring credits formerly available through the Enterprise Zone*.

What will this new program mean for you? As a California business you may be eligible to receive a number of tax credits. The Manufacturing Equipment Sales Tax Exemption and the California Competes Incentive Credit are available to businesses located **ANYWHERE** in California. The new employee credit is available in targeted areas, and is up to \$56,000 per qualified employee.

The Three Main Components of GEDI

1. Manufacturing Equipment Sales Tax Exemption

- **Value of Incentive**—Eliminates California portion of sales tax (4.19%).
- **Business Location**—Businesses can locate to ANYWHERE in California.
- **Maximum Annual Amount**—\$200 million of equipment regardless of entity type, corporation or non-corporation.
- **Getting Incentives**—Benefit is immediate with no state tax paid at time of purchase.
- **Equipment Qualified for Tax Incentive**—Basic manufacturing equipment and qualified R&D equipment.



[Click here to learn more about GEDI.](#)

2. New Employment Credit

- **Qualified Wage Rate**—Credit based on wages above \$12 an hour and up to \$28 an hour.
- **Maximum Credit Amount**—\$56,000 per employee (five year total, 2,000 hours).
- **Credit Calculation**—35% of wages each year for a total of 175%.
- **Employee Qualifications**—Persons unemployed 6 months, veterans within one year of separation, EITC recipients, ex-offenders and recipients of CalWorks or general assistance.

3. California Competes Incentive Credit

- **Expanding and Attracting Businesses**—Businesses can move and expand ANYWHERE in California.
- **Business Size**—Credit available to both large and small businesses with 25% of available credit each year specifically reserved for small businesses.

*Taxpayers will be allowed to continue using Enterprise Zone carryover credits for 10 years and will be able to continue to earn hiring credits for employees hired prior to January 1, 2014.



The LA COUNTY WIB and the LAEDC

Partnering for business.

Welcome to our second issue of *LA County Business Connect*. Our newsletter is a service offered by the LA County WIB and the LAEDC to provide valuable tools to support and grow your business.

One call, one click, can put you in touch with people who know where and how to get things done.

Just a few ways we can help:

- Resources for hiring and training employees.
- Identify incentives and resources that can save you money.
- Assist with access to financing.
- Provide existing workers with new skills to help you compete.
- Best of all, LAEDC services are **FREE!**

Call the LAEDC today, and let us connect you to resources to help your business thrive!

LAEDC.org/business-assistance
888-4-LAEDC-1

To learn more about GEDI and how these savings can be applied to your business.

Visit www.business.ca.gov

CONNECT WITH US!

Put the LA County WIB and the LAEDC to work for you!

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