



**BOISE VALLEY**  
economic partnership



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# Boise Valley Regional Overview

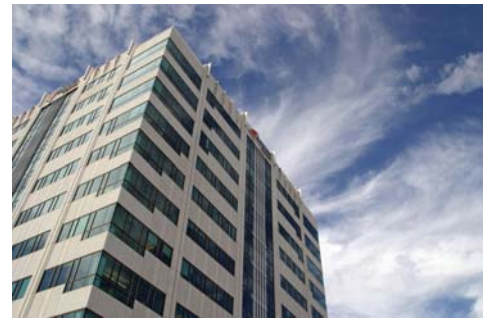
## Idaho Incentives/Tax Credits:

- **Idaho Business Advantage** –For qualifying companies it:
  - Increases the Investment Tax Credit to 3.75% against the corporate income tax. This is for the personal property part of the project (machinery/equipment – computers).
  - Real Property Improvement Tax Credit of 2.5% against corporate income tax - \$125,000 per taxable year with 14 year carry forward so total of \$1,750,000. This is the real property part of the project (new plant & building facilities).
  - New Jobs Tax credit – increases the standard \$1000/per job corporate income tax credit up to maximum of \$3,000/per job, depending on wages paid.
  - Sales & Use Tax Rebate of 25%. This is for any sales & use tax that is paid for the property constructed, located or installed within the project.
  - Small Employer Growth Incentive – local county commissions can grant an exemption on all or part of the new investment value from property taxes for a determined period of time. This would have to be petitioned to the commission where the project would be located.
  - ***To qualify a company must make a minimum \$500,000 investment in new facilities and create at least 10 new jobs that pay at least \$40,000 annually plus benefits. Average wage for all other jobs created must be \$15.50/hr plus benefits.***
  
- **Work Force Development Training Fund** - Minimum \$2,000/per new job created, paid directly to company. Jobs must be \$12/hr or more with benefits and the company must produce a product or service that is mainly marketed outside the region where the business is located.
  
- **Hire One Tax Credit** – Based on the employer's unemployment insurance tax rating and the county unemployment rate where the new job is located, qualified businesses can receive a refundable income tax credit on a sliding scale. New in 2011!
  
- **3% Investment Tax Credit** – Credit against Idaho Corporate Income tax for qualifying new investment in tangible personal property (machinery & equipment) in Idaho. It can offset up to 50% of a company's liability and may be carried forward 14 years.
  
- **Idaho Power – Industrial Efficiency Incentive** – *Cash Incentives for Energy-Efficient Designs*. The financial incentive is determined on the least of two calculations:
  - a. 12 cents per kilowatt-hour(KWh) saved per year or
  - b. 70 percent of the incremental project cost from a 2006 energy code rated project to a high efficiency project.Additional information from Chris Pollow, 208-388-5949 – Idaho Power

# Boise Valley Regional Overview

## Idaho Tax Overview:

- **Sales and Use Tax** in Idaho is 6%. This would apply to items purchased or consumed in Idaho. Exemptions are available for equipment and raw materials used directly in manufacturing, processing, or fabrication; clean rooms used in semiconductor and semiconductor equipment manufacturing; and any equipment or material used in research and development activities.
- We do not tax services including telecommunication services, and utilities such as water, gas, electricity, or natural gas. In our region we do not have any local option sales tax.
- **Property Tax** – personal (machinery/equipment) and real (land/buildings) – based on market value.  
2010 Rates:
  - Ada County – Average rate: 1.7%
  - Canyon County – Average rate: 2.1%
  - Elmore County – Average rate: 1.9%
- Idaho does not have an inventory tax.
- **Corporate Income Tax** – Computed at 7.6% of the Idaho taxable income of a corporation. Corporations that are taxable in Idaho and another state or country or are part of a unitary group of corporations, use a 3 factor formula to ascertain how much of the business is conducted in Idaho. The apportionment formula is made up of a property factor, a payroll factor, and a sales factor. These three factors, with the sales factor being double weighted for all taxpayers except for electrical and telephone companies, are totaled and divided by 4 to compute the Idaho apportionment factor. The Idaho apportionment factor is then applied to the business income of the corporation to compute income assigned to Idaho. Non-business income allocable to Idaho is added to the income apportioned to Idaho to arrive at Idaho taxable income.



## Other Rate Information:

**Workers Compensation Tax Rate:** 1.98%

**Federal Unemployment Insurance Tax (FUTA):** 6.2%

**State Unemployment Insurance (SUI) Rate:** 3.36% Base Rate

**Personal Income Tax Rate:** Idaho income tax is based on a bracketed system with different rates applicable to individuals with different income levels.  
(rates are between 1.6% - 7.8%)

**Union Membership in Idaho:** is 7.1% (National average is 11.9%)

# Boise Valley Regional Overview

## Cost Comparison Example Between Boise and a few surrounding cities

\*The numbers below are generated off of  
the example employee overview on the right.

Employee Overview	
Customer service representatives	10
Sales representatives, services, all other	8
Office and administrative support occupations	6
Management occupations	2
Sales managers	2
Computer support specialists	2
Office Space	
Class-A Downtown (sq. ft)	5,000

	Idaho Boise	California San Francisco	Colorado Boulder	Oregon Portland	Texas Austin	Utah Salt Lake
<b>Labor Costs</b>						
Average Annual Salary	\$ 40,513	\$ 65,507	\$ 54,282	\$ 49,233	\$ 50,860	\$ 46,575
Total Annual Payroll	\$ 1,215,380	\$ 1,965,220	\$ 1,628,460	\$ 1,477,000	\$ 1,525,800	\$ 1,397,260
Boise Savings		\$ 749,840 62%	\$ 413,080 34%	\$ 261,620 22%	\$ 310,420 26%	\$ 181,880 15%
<b>Employee Benefits</b>						
Health Insurance	\$ 173,220.00	\$ 203,850.00	\$ 180,330.00	\$ 190,710.00	\$ 176,970.00	\$ 177,990.00
Life Insurance	\$ 3,646.14	\$ 5,895.66	\$ 4,885.38	\$ 4,431.00	\$ 4,577.40	\$ 4,191.78
Disability Insurance	\$ 2,430.76	\$ 3,930.44	\$ 3,256.92	\$ 2,954.00	\$ 3,051.60	\$ 2,794.52
Retirement	\$ 51,775.19	\$ 101,012.31	\$ 69,372.40	\$ 75,917.80	\$ 51,877.20	\$ 59,523.28
Total Benefits:	\$ 231,072.09	\$ 314,688.41	\$ 257,844.70	\$ 274,012.80	\$ 236,476.20	\$ 244,499.58
Boise Savings		\$ 83,616 36%	\$ 26,773 12%	\$ 42,941 19%	\$ 5,404 2%	\$ 13,427 6%
<b>Federal Employment Taxes</b>						
Social Security	\$ 75,354	\$ 114,318	\$ 99,038	\$ 90,753	\$ 91,827	\$ 86,630
Medicare	\$ 17,623	\$ 28,496	\$ 23,613	\$ 21,417	\$ 22,124	\$ 20,260
Federal Unemployment	\$ 75,354	\$ 121,844	\$ 100,965	\$ 91,574	\$ 94,600	\$ 86,630
Total Federal Taxes:	\$ 168,330	\$ 264,657	\$ 223,615	\$ 203,744	\$ 208,551	\$ 193,521
Boise Savings		\$ 96,327 57%	\$ 55,285 33%	\$ 35,413 21%	\$ 40,221 24%	\$ 25,190 15%
<b>State Employment Taxes</b>						
State Unemployment	\$ 31,452	\$ 7,140	\$ 5,100	\$ 31,878	\$ 7,290	\$ 25,716
State Disability Insurance	\$ -	\$ 21,479	\$ -	\$ -	\$ -	\$ -
Workers Compensation	\$ 24,065	\$ 52,668	\$ 22,636	\$ 24,961	\$ 36,314	\$ 20,400
Total State Taxes:	\$ 55,517	\$ 81,287	\$ 27,736	\$ 56,839	\$ 43,604	\$ 46,116
Boise Savings		\$ 25,770 46%	\$ (27,781) 24%	\$ 1,322 2%	\$ (11,913) -21%	\$ (9,401) -17%
<b>Office Space Rental</b>						
Lease rate per sq. ft.	\$ 14.00	\$ 33.62	\$ 23.71	\$ 23.74	\$ 28.03	\$ 25.75
Total Office Rental:	\$ 70,000	\$ 168,100	\$ 118,550	\$ 118,700	\$ 140,150	\$ 128,750
Boise Savings		\$ 98,100 140%	\$ 48,550 69%	\$ 48,700 70%	\$ 70,150 100%	\$ 58,750 84%
<b>Total Estimated Operating Costs</b>						
Total :	\$ 1,740,299	\$ 2,793,953	\$ 2,256,205	\$ 2,130,296	\$ 2,154,581	\$ 2,010,146

## Total Boise Savings

\$ 1,053,654 61% \$ 515,906 30% \$ 389,997 22% \$ 414,282 24% \$ 269,847 16%



# Business Friendly By Nature



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