

California Job Creators Get Cal Competes Tax Credits



Adding 2-10 new positions per year in CA? *You might be eligible.*

- \$600,000 to a small manufacturer committed to adding five new employee/yr.
- \$450,000 to a marketing company committed to adding eight software engineers/yr.
- \$180,000 to a software company committed to adding four new employees/yr.
- \$325,000 to a food producer committed to buying a building and adding ten new employees/yr.

The next application period opens and closes

This credit can be combined with other significant tax credits.

- Cal Competes Tax Credit is designed to incentive companies to grow “quality jobs” in CA.
- You may be eligible to receive \$5000 – \$20,000 in tax credits for every new hire if you are accepted into the program.
- You must be accepted into the program before you make your hires in order to get credit.
- There are just three times each year when you can join the process for being approved.
- Many applicants either do not get their optimum credit or get turned down altogether.
- Winning applicants using DCI’s system invested 3-4 hours of effort to gain six figure amounts.
- Businesses with revenue under \$2MM can get extra large incentives.
- Businesses that buy buildings or production equipment can get extra large incentives.
- Getting the credit is not guaranteed.



Six O.C. Companies Among 67 Statewide That Will Share \$47 Million In Go-Biz Tax Credits



By MARGOT ROOSEVELT

California officials on Thursday approved nearly \$47 million in corporate income tax breaks for 67 companies, including six in Orange County. The tax credits, which are spread over five years, are the latest installment of the \$200 million awarded annually under the aegis of the Governor's Office of Business and Economic Development (GO-Biz).

The awards are approved by the California Competes Committee, which includes government and public representatives. They go to companies that commit to creating new jobs and investing in equipment or buildings.

"California is now the sixth largest economy in the world in part because companies identify the Golden State as a prime target for relocation and expansion," said GO-Biz director and committee chair Panorea Avdis in announcing the awards.

The latest batch of 67 companies would account for 4,235 new jobs and generate over \$1.3 billion in investment across the state.

Orange County recipients include:

- King Shock Technology, a Garden Grove automotive parts company, got a \$750,000 tax credit for a pledge to invest \$11.5 million and hire 26 people.

• **Envoy Group, an Irvine online marketing and advertising company, got a \$450,000 credit for a pledge to invest \$163,400 and hire 69 people.***

- LCPtracker, an Orange company that makes wage-tracking software, got a \$330,000 tax credit for a pledge to invest \$659,000 and hire 46 people.

- Lean Technology, an Irvine electrical engineering firm, got a \$150,000 tax credit for a pledge to invest \$2 million and hire six people.
- Pivot Technology Solutions, a San Diego computer consulting firm with an office in Huntington Beach, got a \$300,000 tax credit for a pledge to invest \$4.1 million and hire 30 people.
- Stage One Financial, an Anaheim accountancy firm, got a \$30,000 credit for a pledge to invest \$35,000 and hire 10 people.

Orange County's awards are dwarfed by the tax breaks of the top five recipients: NextEV USA, a Northern California automaker (\$10 million); OWB Packers, a Brawley beef processor (\$6 million); Pabst Brewing Co. in Northern and Central California (\$3 million); GreenPower Motor, an electric bus manufacturer in Porterville (\$3 million); and Axis Energy Partners, a lighting wholesaler in Sacramento (\$2 million).

Companies must prove over each of the five years of the credit that they are meeting their commitments of new jobs and investments.

The California Competes program was enacted in 2013 in part to replace the state's \$750 million-a-year enterprise zone subsidies that were widely criticized as a waste of money.

Any business can apply to California Competes, with awards most likely to go to companies "with high economic multipliers that provide their employees good wages and benefits," according to GO-Biz.

Other factors: the extent of joblessness or poverty in the area where the business is located, and the incentives available to the business in other states.



Envoy Group, the recipient of a \$450,000 credit hired DCI Solutions to identify and optimize multiple tax credit opportunities. DCI's expertise and proven strategies helped Envoy Group to receive the second largest award for all Orange County recipients!