

Tax Abatement

The City of San Angelo and Tom Green County may provide personal property and real estate tax abatements for periods of 5 to 7 years. Abatement levels range from 20% to 75% and are determined by the number of new jobs created and/or the amount of new investment in the community. All companies receiving the abatements must meet the minimum job creation level of 5 new jobs and no less than \$250,000 in new valuation in either real estate and/or personal property.

Businesses eligible for the tax abatements include manufacturing, warehousing/distribution centers, home/regional administrative offices, data processing centers, and telecommunications services. Tax abatements are not automatic; applications must be made to both the City Council and County Commissioner's Court. For more information about the program, contact Kathy Keane, Executive Director, San Angelo Development Corporation, at (325) 653-7197.

Freeport Tax Exemptions

All three taxing districts within San Angelo (City, County, and the San Angelo Independent School District) may provide 100% tax exemptions for inventory and work-in-process that will be shipped outside of the state of Texas and kept on site for less than 175 days. San Angelo is one of the few cities in Texas where all three taxing districts provide this incentive. Application must be made annually. For more information contact Bill Benson, Chief Appraiser, Tom Green County Appraisal District, at (325) 658-5575.

Tom Green County/San Angelo Enterprise Zone

The Zone was created by the Texas Department of Economic Development in 1996, and renewed in September of 2003. Unlike the local tax abatement program, all businesses are eligible for designation as a "project". However, there are a limited number of projects selected state-wide, so job creation and job quality are important considerations for each project.

Companies that are approved as designated projects within the zone are eligible for sales tax refunds of up to \$2,000 per new employee over the 5 year period. The total amount of tax refunds is capped at \$1,250,000 per company over the 5 years. The company receiving the benefits of the program must agree to hire 25% of their new employees from within the zone. Additional information on the enterprise Zone may be obtained by contacting Kathy Keane, Executive Director, San Angelo Development Corporation, at (325) 653-7197.

Sales Tax For Economic Development

San Angelo voters have approved a ½ cent increase in the sales tax for community and economic development projects. The San Angelo Development Corporation has established priorities for manufacturing, warehousing/distribution, telecommunications services, data processing, and home/regional offices. Loans and grants are available for buildings, land, equipment, training, site infrastructure, moving expenses, lease subsidies, and other expansion costs. The minimum job and investment thresholds are 5 new jobs and \$125,000 in new investment. Job retention may also be considered. The project must meet state mandated NAICS codes and "a definition of primary employment." Payroll guidelines are also considered.

Depending upon the wages and types of jobs created, the Development Corporation may provide assistance from \$1,000 to \$5,000/new job. High skill - high wage jobs may carry a higher incentive level. New and existing companies are eligible. For more information, contact Kathy Keane, Executive Director, San Angelo Development Corporation, at (325) 653-7197.

Industrial District Designation

A company that wishes to locate outside of the city limits of San Angelo and still avail themselves of city services, may apply to the City for designation as an industrial district, with the expectation that they will be annexed at some future date. These agreements typically last for 7 years, but may be extended. During this period of time they are outside of the city limits, the company does not pay city personal property tax (inventory and equipment), but they do pay a negotiated percentage of real estate tax they would normally pay. Past agreements were 10% in year one, 20% in year two, etc. The costs of services that the company wishes to obtain from the City are negotiated. An industrial district in San Angelo is located in the northeast part of the city. For more information, contact Harold Dominguez, City Manager, at (325) 657-4241.

Other Assistance

San Angelo's public and private sectors work together to help create an atmosphere for new job creation. The Chamber of Commerce can provide coordination of services such as incentives, training, financing arrangements, find available land and buildings, and refer business owners to helpful services provided by Angelo State University's Small Business Development Center and the Concho Valley Center for Entrepreneurial Development. For a one stop look at all business assistance services, visit www.cvbiz.org. For more information, contact Phil Neighbors, President, San Angelo Chamber of Commerce, at (877) 655-4136 or phil@sanangelo.org.