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Frequently missed tax incentives & favorable states for expansion



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RSM National Business Incentives Practice

Securing and accessing credits and incentives when operating in multiple states can be complicated without our experienced team helping through every step of the process. We understand both your needs and the complexities of identifying and securing all possible federal/state/local/utility incentives benefit. These areas offer some of the largest opportunities:

- People: New job creation, retention, and training
- Investments: R&D tax credits, state investment credits, renewable energy incentives and real estate investment
- Operations: Energy and sustainability programs, manufacturing and production incentives and excise tax exemptions and credits

State and local tax discretionary credits and incentives analysis

The opportunity

States are willing to provide/negotiate credits and incentives to organizations expanding through capital investment, head count and geographic reach. Many organizations overlook this in the growth or expansion of a business.

Potential considerations

An analysis provides organizations with a thorough engagement process to identify, evaluate and realize the incentives available on a project-by-project basis in the various states.

Due to the number and variety of incentives available throughout the U.S., an analysis will help the evaluation and obtainment processes, because depending on the project and jurisdiction, credits and incentives available could include:

- Cash grants/income tax credits for job creation and capital investment
- Property tax abatements on investments
- Utility cost reductions

Next steps

RSM National C&I team can research project addresses in our incentive software for opportunities by State with incentives matrix summary. We can assist with confidential site selection in each State.

Wisconsin Incentive Programs

The opportunity is a layered incentive stack

The strongest Wisconsin packages combine statutory tax benefits with negotiated and project-specific support.

STATE	Refundable credits, statutory credits and exemptions
LOCAL	TIF, land, infrastructure and municipal financing
WORKFORCE	Customized training grants and talent pipelines
UTILITY	Energy efficiency rebates and technical support
PROJECT	Export, brownfield and transportation assistance



Key principle: engage before public announcements, hiring, equipment orders or construction commitments.

Priority state tax credits

Use project facts to separate automatic tax benefits from incentives requiring certification or negotiation.

Business Development Tax Credit

Refundable credits supporting job creation, capital investment, training, and headquarters location or retention. WEDC notes a $250,000 minimum capital investment as of 2024.

Manufacturing & Agriculture Credit

A permanent credit for qualifying Wisconsin manufacturing or agricultural income. WEDC describes the effective tax rate on qualifying income as 0.4%.

Research Credit

Wisconsin credit modeled after IRC §41 for qualified Wisconsin research. WEDC states that up to 25% of the credit is refundable.

Enterprise Zone credit

Refundable project-based credits may support major job creation, retention and capital investment in designated enterprise zones. Awards are project-specific.

Sales & use tax exemptions

Potential exemptions include qualifying manufacturing machinery, manufacturing fuel and electricity, and certain qualified research or biotechnology property.

Property tax environment

Wisconsin no longer imposes the state business personal property tax as of January 2024. Real property remains locally assessed.

Not every program is available to every taxpayer or project. Certification, documentation, timing and industry restrictions matter.

Tax benefit map: match the activity to the program

A disciplined fact pattern screen prevents high-value credits from being missed or pursued too late.

1

Create or retain jobs

Business Development / Enterprise Zone

2

Build or expand a facility

Business Development + local TIF

3

Manufacture in Wisconsin

Manufacturing & Agriculture Credit + exemptions

4

Conduct qualified research

Research Credit + research equipment exemption

5

Invest in data infrastructure

Data center sales and use tax exemption

6

Invest in eligible rail infrastructure

Rail modernization / maintenance credits

Screen both tax-return credits and negotiated incentives: the application route, benefit timing and documentation are different.

Local tools can reshape project economics

Municipal participation commonly focuses on infrastructure, site readiness and the incremental tax base.



Tax Increment Financing (TIF)

Municipalities may use anticipated property tax increment within a TID to finance eligible public improvements and development support.

Site and infrastructure support

Potential tools can include roads, utilities, public improvements, land write-downs, forgivable loans or development agreements, depending on the municipality.

Local negotiation factors

Incremental assessed value, job creation, public purpose, financial gap, project timing and community priorities drive the local case.

Local incentives vary significantly by municipality and generally require early engagement and governing-body approvals.

Grant programs: workforce, exports and redevelopment

Grant windows and appropriations change. Confirm the active round before relying on an award.



Wisconsin Fast Forward

Customized occupational training grants have ranged from $5,000 to $400,000, or higher for consortium applicants. The October 5, 2026 round is closed.

International Market Access Grant

Reimburses eligible export-development costs. Up to $10,000 per application; up to $30,000 per application for ExporTech graduates, subject to program limits.

Brownfields Grant

Businesses and other eligible applicants may seek remediation funding; the maximum grant is generally $250,000 and environmental reports are required.

Also screen community-delivered funding, including Small Business Development Grant programs that may flow through municipalities or economic development organizations.

Energy and transportation incentives

Operational savings and enabling infrastructure can be as valuable as income tax credits.

Focus on Energy business incentives

Wisconsin utilities partner with Focus on Energy to provide expert assistance and incentives for equipment replacement, facility upgrades, new construction, operations and maintenance, and renewable energy. 2026 rebate catalogs apply to qualifying installations completed during 2026.

Transportation Economic Assistance (TEA)

Matching grants to governing bodies support road, rail, harbor and airport improvements that attract, retain or expand employers. WisDOT lists $3.4 million available per state fiscal year and a 50% local match.

Best-fit use cases

- **Plant modernization** — HVAC, process systems, refrigeration, lighting
- **Access constraints** — Public road, rail, harbor or airport improvements
- **New construction** — Design assistance and qualifying efficient systems
- **High-energy operations** — Custom efficiency projects and operational optimization

Rapid qualification screen

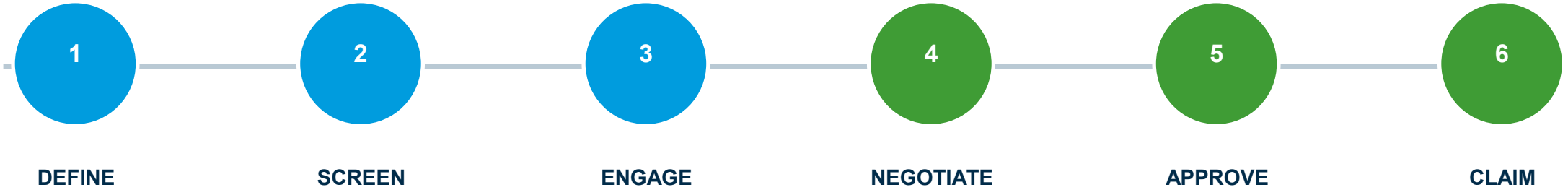
Start with the project trigger, then test eligibility, timing, benefit form and compliance burden.

PROJECT FACT	LIKELY PROGRAMS	KEY GATE	VALUE FORM
10+ new jobs / payroll growth	Business Development; local tools	WEDC certification; net WI employment	Refundable credit / negotiated support
Qualified manufacturing income	M&A Credit; sales/use exemptions	Manufacturing classification and activity	Income tax credit / exemption
Wisconsin R&D spend	Research Credit; equipment exemption	IRC §41-type analysis; WI sourcing	Partially refundable credit / exemption
Customized worker training	Wisconsin Fast Forward	Open round; eligible training and outcomes	Reimbursement grant
Export market expansion	IMAG	Revenue, WI inputs and eligible expenses	Reimbursement grant
Contaminated redevelopment site	Brownfields; local TIF	Environmental reports and responsible-party rules	Grant / local financing

Screening only. Final eligibility depends on current program rules, project location, approvals and documented commitments.

Incentive capture process

The sequence matters: preserve leverage before commitments and build compliance into the project plan.



Timing risk: purchases, hiring, construction starts or public announcements may reduce eligibility or negotiating leverage.

Illustrative incentive stack for a Wisconsin expansion

A project can combine programs, but each component must be separately validated and documented.

Illustrative facts

- 40 net new jobs
- New production line
- $8M facility and equipment investment
- Customized worker training
- Road access improvement
- Energy-efficient HVAC and process equipment

Business Development credit

Refundable, project-based

M&A Credit / exemptions

Statutory tax savings

Local TIF / infrastructure

Negotiated municipal support

Fast Forward

Training reimbursement if active

Focus on Energy

Equipment and facility incentives

TEA

Public transportation improvement grant

Planning outcome: one coordinated package, one commitment calendar and one owner for compliance.

Illustrative only. No dollar value is assumed because awards depend on negotiated terms, eligible costs and current program availability.

Executive action checklist

A 30-minute project intake can determine whether a deeper incentives engagement is warranted.

Location

Exact site, municipality and alternatives

Employment

Current and projected Wisconsin headcount, wages and timing

Investment

Land, buildings, equipment, software and infrastructure

Operations

Manufacturing, R&D, headquarters, export and energy profile

Commitments

Board approval, lease, purchase orders, public announcements

Funding

Training needs, environmental conditions and infrastructure gap

Next step: build a Wisconsin incentive matrix before the project reaches an irreversible commitment point.

Selected official resources

Program rules, funding rounds and deadlines change. Use these sources to confirm current requirements.

Wisconsin Department of Revenue	Business Tax Incentives, Publication 123 (Feb. 2026)	https://www.revenue.wi.gov/DOR%20Publications/pb123.pdf
Wisconsin Economic Development Corporation	Programs directory and Business Development Tax Credits	https://wedc.org/programs/
Wisconsin Department of Workforce Development	Wisconsin Fast Forward grant announcements	https://dwd.wisconsin.gov/wffgrantapplication/
Wisconsin Department of Transportation	Transportation Economic Assistance program	https://wisconsindot.gov/Pages/doing-bus/local-gov/astnce-pgms/aid/tea.aspx
Focus on Energy	Business incentives and 2026 rebate catalogs	https://focusonenergy.com/business

This presentation is a general screening guide, not a determination of eligibility or tax advice. Confirm project-specific requirements before action.

Wisconsin Incentive Programs

- Wisconsin Economic Development Corporation Business Development Program
  - Refundable/cash rebate incentive for minimum 10 net new jobs that can be up to 6% payroll credit each year up to 10 years.
  - There can be investment tax credits up to 5% depending on their fact pattern for capital spend (new rule).
- Manufacturing and agriculture credit for 7.5% of qualified production activities income.
- Communities might offer Tax Increment Finance (TIF) for any building upgrades/infrastructure improvements or a Façade Improvement Grant up to $20,000.

Does My Company Qualify?

- Minimum spend varies by State and Community, but it can be as low as $500,000 for Real Property tax abatement (i.e. Michigan) or Wisconsin Business Development Tax Credits
- Minimum hiring varies by State and Community, but it can be as low as 10 new hires over 3 years for Wisconsin Business Development Tax Credits or Ohio incentives, but 20 for Indiana and higher for MI
- You need at least 60 days to confidentially apply before you publicly announce expansion/break ground.
- Most tax credits go on State income tax return. Ohio goes on quarterly Commercial Activity Tax and some incentives can go on payroll returns or become cash refund from State.
- Most States have annual compliance due dates by 2/15 (Illinois/Indiana) and 3/1 (Ohio/Wisconsin).

Wisconsin Incentive Case Study

Wisconsin Economic Development Corporation supported us with $460,000 Business Development Tax Credits over 3 years for 60 new jobs/$6M new 50k sf building addition.

- State offer added flexibility to use half of offer ($230k) for investment credit and the other half for increase in payroll.
- Company has HQ/Mfr operations in WI to expand custom packaging products for variety of industries.

Illinois Incentive Programs

- Non-Refundable State Income Tax Credit over 10 years up to 75% for new hire withholdings/50% for retained staff withholdings. There is 5 year carry forward.
- Commit to net new jobs (5% of global workforce if under 100 staff or 10% if over 100/50 net new for whichever is less).
- 2 full calendar years to meet hiring goal with commitment to new 10 year lease or minimum $2.5M spend if over 100 staff.
- No Personal Property tax, but you might receive Real Property Tax Abatements/Investment Credits with State Enterprise Zone Program.

Out of State Expansion

AMERICA'S TOP STATES FOR BUSINESS 2026

Overall	State	Infra-structure	Economy	Workforce	Quality of Life	Cost of Doing Business	Technolgy & Innovation	Business Friendliness	Access to Capital	Education	Cost of Living
1	Ohio	1	9	35	18	1	10	16	9	23	9
2	North Carolina	13	1	3	34	20	8	8	5	12	35
3	Virginia	2	23	10	7	26	6	11	10	5	15
4	Texas	12	2	1	49	5	3	23	2	32	30
5	Minnesota	7	8	27	4	31	14	16	21	10	22
6	Michigan	9	24	21	15	4	17	27	13	29	11
7	Georgia	5	17	9	46	11	15	21	8	13	35
8	Florida	32	11	2	30	15	10	33	4	29	48
9	Tennessee	6	11	7	50	9	20	7	15	45	15
10	Indiana	4	27	32	48	2	16	10			

Illinois Incentive Case Study

Secured 10 year EDGE credit for 1,000 retained staff at major food production company.

- Benefit will average $1M state income tax credit each year that flows through to company owners.
- Secured State Investment Tax Credit in Enterprise Zone for new equipment spend.
- Company has been in Illinois for 100 years, but had not ever secured State EDGE tax credit.

Indiana Incentive Programs

- State has refundable EDGE and non-refundable HBI tax credits through Indiana Economic Development Corporation.
- Average incentive offer is $5-10k per new job based on wages.
- IEDC is business friendly and keeps Transparency Portal current.
- Local communities rely on Property Tax Abatements but State passed $2M exemption on Personal Property.
- Electric Utilities provide ED Rider discounts.

Indiana Incentive Case Study

State supported startup Pontoon boat manufacturer with $1.15M refundable EDGE tax credits for 100 new jobs/$5M equipment.

- Received local County Personal Property Tax Abatement for 5 years.
- Received Electricity discounts with ED Rider and transferred Solar panel incentive.
- Participated with State on press release to promote startups before Governor Braun presentation at Entrepreneurship luncheon.

Michigan Incentive Programs

- Michigan Economic Development Corporation just had 15% workforce cut with reduced corporate revenues.
- Business Development cash grant reimbursement program if you create 50 net new jobs in 3 year period (Usually $3-5k per new job) but can focus on investment for quicker reimbursement.
- You only commit to 25 net new jobs if located in Rural County (County less than 90k population) or High-Tech.
- Industrial Facility Tax Exemption - Real Property Tax Abatement - Max 12 years for average 50% savings on new assessed value for building upgrades/construction. Usually need at least $500k spend over 2 years. No Personal Property Tax.

Michigan Incentive Case Study

Secured $300,000 Business Development Program cash grant for 50 new jobs/$3M building spend.

- Secured local Real Property IFT tax abatement over 7 years for only $500k building upgrade spend.
- Helped them get set up in new State.

Ohio Incentive Programs

- Job Creation Tax Credit is refundable credit over 5-10 years for about $3-5k per new job incentives offer.
- You only have to commit to 10 net new jobs and $660k new payroll in 3 years.
- Credit is applied to Commercial Activity Tax (CAT) or turns into cash rebate.
- Real Property Tax Abatement in Enterprise Zone - Max 15 years for average 50% savings on new assessed value for building upgrades/construction. Usually need at least $500k spend over 2 years. No Personal Property Tax. Larger communities offer payroll rebates.

Ohio Incentive Case Study

Secured $770,000 ($620k for refundable Job Creation Tax Credits/$150k cash training grants) for 120 new jobs.

- Company has HQ/Manufacturing in Ohio for custom molded products for variety of industries.
- Formed as ESOP so needed cash benefit rather than tax credits.
- Helped them secure electricity discounts as they were not aware of that utility program.

Alabama Incentive Programs

- Jobs Credit is discretionary program for annual cash refund up to 4% of the previous year's gross payroll for new hires up to 10 years with at least 50 net new jobs. Client has received $2M over 8 years for 100 new jobs/$337k check in mail now.
- Investment Credit up to 1.5% of qualified capital investment. May be claimed up to 15 years and applied against state income tax/financial institution excise tax/insurance premium tax/utility tax. Unused credits carried forward 5 years.
- Property tax abatements can be offered up to 20 years for building upgrades and new equipment.

Georgia Incentive Programs

- Job Tax Credits - $1,000-$4,000 corporate income tax credit each year for 5 years for every new job created. It can be applied to payroll withholdings if locating in special tiered County with lower average annual wage.
- Indiana client needed production facility in South to better serve automotive clients. Should receive $250,000 tax credits for 50 new jobs that goes on payroll returns.
- Quick Start Training Grant – Savings up to $5,000/new hire for customized and/or on-the-job training.
- Payment in Lieu of Tax Payments (PILOT) – Savings are usually 50% over 10 years on incremental assessed value for new Personal/Real Property.

Mississippi Incentive Programs

- Governor Reeves is one of most aggressive Governors for economic development and created new MFLEX program.
- MFLEX was created to replace multiple separate incentive programs with one application, one approval, and one flexible credit. It is a single, universal state tax credit that can be applied to offset various Mississippi state taxes, designed to simplify and streamline business incentives.
- Secured $5M MFLEX for data center infrastructure client creating 200 new jobs/$7M equipment spend. Locals are using their Federal dollars to pave access road for $1M.
- Property Tax Exemptions/Abatements up to 20 years on real and tangible personal property being used in state.

South Carolina Incentive Programs

- Job Development Credit reimburses companies a percentage of personal state withholding tax of new employees up to $3,250 per employee annually for up to 10 years.
- Jobs Tax Credit allows companies to claim a tax credit ranging from $1,500 to $25,000 per job based on location with at least ten net new jobs. The credit is available for a five-year term.
- Manufacturing Investment Tax Credit is 1 time credit against corporate income tax up to 2.5% of investment in new production equipment to offset up to 100% income tax liability. Any unused credits may be carried forward up to 10 years.
- Secured $5M State incentives for 80 new jobs/$35M new equipment for IL based specialty baked foods manufacturer.

Tennessee Incentive Programs

- Industrial machinery tax credit – Up to 2% income tax credit applied to 50% liability on State Franchise & Income Tax. This is Statutory incentive to take automatically on tax returns.
- Job Tax Credit up to $4,500 credit/new hire over 5 years to be used against 50% liability on State Franchise & Income Tax. We can do a 3 year look back with a business plan that starts 3 years back to capture missed capital spend/hiring.
- FastTrack Training Grant – Up to $2k/new hire that stay on 6 months for eligible trainee wages including On-the-Job.
- TVA Electric Utility is good for economic development cash grants/discounts on electricity bill depending on project facts.
- Local officials offer Property Tax Abatements called Payment in lieu of Taxes (PILOTS) up to 20 years at 50% savings.
- Coffee production company with 70 new jobs/$10M spend.

Is your company planning to expand?

Key takeaways

Programs can work together

Screen state and local incentives alongside utility, training and statutory tax benefits.

Early engagement protects options

Public announcements or binding commitments may reduce eligibility and negotiating leverage.

Realized value depends on the terms

Refundability, benefit timing and ongoing commitments differ across programs and states.

Next steps

Build a project inventory

Gather investment, hiring and site plans with tax, HR and operations.

Review incentives before approval

Confirm program rules and engage agencies before major commitments.

Model cash value and assign ownership

Model benefits against compliance costs, then track milestones, reporting and claims.

Suggested next step: schedule a project intake before the next major investment decision.

Q&A



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