

# ARLINGTON TAXES & INCENTIVES

## LOW TAXES

Arlington offers competitive tax rates compared to other jurisdictions in the area. By virtue of its location in the Commonwealth of Virginia and just across the river from the nation's Capital, Arlington offers low operating costs and low business taxes. Virginia has the lowest corporate income tax of the surrounding states and jurisdictions and has not raised the corporate income tax rate in more than 25 years.

COROPRATE INCOME TAX COMPARISON		
VIRGINIA	D.C.	MARYLAND
6.0%	9.4%	8.25%

## BUSINESS LICENSE TAX REDUCTION

The business license tax (also known as the Business, Professional, Occupational License, or BPOL) is a local tax levied on business gross receipts for the prior year. Arlington has set an upper limit of \$40,000 for the BPOL tax from any single firm in its first year of operation in the County.

## TECHNOLOGY ZONE INCENTIVE

Arlington County is dedicated to building the ideal innovation economy and welcoming tech sector businesses. The Technology Zone incentive is a partial offset of the Business, Professional, Occupational License (BPOL) tax, a local license tax levied on business gross receipts for the prior year. Qualified technology companies receive a 50% reduced BPOL rate, from \$0.36 to \$0.18 per \$100 of gross receipts for 10 years. The BPOL rate continues to decrease as companies grow their employee base. Technology zones are located in Arlington's premier high-technology business corridors and savings are equivalent to approximately \$2.00 to \$3.00 per square foot in building occupancy costs annually.

## INDUSTRIAL DEVELOPMENT AUTHORITY PERFORMANCE INCENTIVES

Arlington County offers Industrial Development Authority (IDA) Performance Grants for priority economic development projects, including fast-growing technology companies, large office users and important research and nonprofit organizations. Typically, IDA Performance Grants are used in conjunction with the Commonwealth Opportunity Fund (see page four). Award amounts for IDA Performance Grants are determined by the project's estimated fiscal benefit to Arlington County based on the company's industry, square footage, capital investment and number and salary of jobs. IDA Performance Grants are awarded starting in year two and are paid out over a customized performance period based on lease length. IDA Performance Grants are only used when Arlington faces active and realistic competition with another jurisdiction for a business attraction or expansion project.

## GAZZELLE GRANT

The Arlington County Gazelle Grant program offers competitively selected economic development performance grants between \$10,000 and \$150,000 to select fast-growing technology companies and tech catalyst organizations. Businesses that are eligible to apply for a Gazelle Grant must meet the following base criteria:

- Growing for-profit technology company or a tech catalyst organization with proven business and financial success.
- New company to Arlington or an existing company with at least 30% job growth over a three-year performance period.
- Three-year commitment to occupy office space in Arlington.
- Demonstrated capital-raising ability.

To be considered for a Gazelle Grant, companies meeting the base criteria must undergo a comprehensive review process and be assessed on factors including, but not limited to: the experience of the company's leadership, strength of business model, amount of capital raised, potential to grow, alignment with targeted sectors, number and salary of jobs, square footage and length of lease and the return on investment to Arlington County.

## REHABILITATION TAX EXEMPTION

Arlington provides a ten-year tax exemption on the increased assessment of rehabilitated commercial structures for qualified redevelopments.

## REAL ESTATE SMART BUILDING EXEMPTION

Arlington provides a one-year exemption on the increased assessed value of major rehabilitated commercial buildings, including "smart building" technologies.

## INDUSTRIAL REVENUE BOND FINANCING (IDA BOND)

Arlington can help qualified, tax-exempt organizations finance new or expanded facilities at reduced rates through the tax-exempt Revenue Bond Program.

# ARLINGTON BUSINESS ASSISTANCE

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## RELOCATION/EXPANSION PROJECT ASSISTANCE

Arlington Economic Development is here to help in every step of your relocation or expansion project. Our staff will provide information on available sites, data on the local labor market, connections to the local business community and universities and serve as your intermediary with other County agencies to ensure your project proceeds as efficiently as possible.

## BIZLAUNCH

BizLaunch is Arlington's small business assistance network and a one-stop-shop for information about starting or growing a business in Arlington. BizLaunch offers nearly 40 workshops and seminars every year, all aimed at helping local entrepreneurs and small business owners plan, develop and grow their businesses.

## TRANSPORTATION/COMMUTING ASSISTANCE

Arlington Transportation Partners (ATP) can help employers develop programs to ease the journey to work for their employees. Services such as transportation consulting and surveys are available at no cost to the business. Additionally, ATP can help businesses design commuting incentives and create Personalized Transportation Options Portfolios for each employee.

## EMPLOYEE RECRUITMENT ASSISTANCE

The Arlington Employment Center (AEC), a County agency, provides a number of services in recruiting and training personnel at no cost to the business. For example, a business can specify its personnel needs and the Employment Center will pre-screen job applicants and provide a location to conduct interviews.

# VIRGINIA INCENTIVES

## COMMONWEALTH'S OPPORTUNITY FUND

The Commonwealth's Opportunity Fund (COF) is a discretionary incentive to secure a business location or expansion project. Grants are awarded to localities on a local matching basis. COF requires that a company make a capital investment of at least \$5 million and create 50 new jobs. COF incentives are only used when Virginia faces active and realistic competition with another state for a business attraction or expansion project.

## VIRGINIA ECONOMIC DEVELOPMENT INCENTIVE GRANT

The Virginia Economic Development Incentive Grant (VEDIG) is a discretionary cash grant to assist and encourage companies to locate significant headquarters, administrative or service sector operations in Virginia. VEDIG requires an investment of at least \$5 million or \$6,500 per job, whichever is greater, plus job creation thresholds ranging between 300 and 400 jobs depending on wage.

## VIRGINIA JOBS INVESTMENT PROGRAM

The Virginia Jobs Investment Program (VJIP) provides cash reimbursements per job, plus a variety of free recruiting and training services for new and growing companies. Requirements include new job and investment minimums:

- Small Business New Jobs Program (companies with 250 or less people):

At least a \$100,000 investment and 5 new positions

- Virginia New Job Program (companies with more than 250 people):

At least a \$1,000,000 investment and 25 new position

VJIP also provides support for Virginia companies that are upgrading the skills of their existing workforce. Requirements include:

- Companies with 250 employees or less:

Retraining 5 full-time employees and making a capital investment of at least \$50,000

- Companies with more than 250 employees:

Retraining 10 full-time employees and making a capital investment of at least \$500,000



## SMALL BUSINESS JOB GRANT FUND

The Small Business Job Grant Fund (SBJGF) provides cash reimbursements per job, ranging between \$500 and \$2,000, plus a variety of free recruiting and training services for new and growing companies. Companies must have 50 employees or less and fall under the following sectors: corporate HQ, research and development or information technology services to businesses, to name a few. Requirements include the creation of 5 new jobs within 24 months and making a capital investment of at least \$50,000. SBGF also provides support for Virginia companies that are upgrading the recruitment and selection skills of their existing workforce.

## MAJOR BUSINESS FACILITY JOB TAX CREDIT

A \$1,000 corporate income tax credit per job over a 50-job threshold; job threshold must be met within a 12-month period and taken in equal installments over a 2-year period (i.e. \$500 per job per year).

*For more information on any of these programs or assistance, contact Christina Winn, Director of Arlington Economic Development's Business Investment Group at **703-228-0801** or **[cwinn@arlingtonva.us](mailto:cwinn@arlingtonva.us)**.*

