



Gaston County 2014 Small Business Grant Program





GASTON COUNTY

Small Business Investment Grant Program

The Gaston County Board of Commissioners has supported economic development for more than twenty years with an emphasis on tax base development, employer diversification and job creation. The Commission recognizes the need to provide programs and financial support to strengthen and diversify the County's economy, to attract new investment and encourage existing businesses to expand and reinvest in their existing operations.

On December 10, 2013, the Commission adopted a temporary Small Business Investment Grant Program for investments made during calendar year 2014 that result in a net increase in tax value of at least \$10,000 but less than \$1,000,000.

CONDITIONS

- Investment Grants will be based on the net increase in tax value of all real property, improvements, business personal property, and qualifying business vehicles above the base year prior to investment.
- No grant will be given to a business that would reduce their tax payment to an amount lower than the previous tax year.
- Asset purchases, mergers and acquisitions of existing businesses already paying taxes in Gaston County will not qualify for the program.
- The Grant amount will be 50% of the net new taxes paid on qualifying investments within the parameters and guidelines of the grant program.
- The business must timely file a business personal property tax listing with the Gaston County Tax Department during the 2015 listing period.
- The business must be current with all tax payments required by the County.
- The Grant application deadline is April 15, 2015. Application forms will be available after January 1, 2015 at www.gastongov.com.
- Checks for qualifying grants for 2014 investments will be processed (paid) in July, 2016.
- The Small Business Investment Grant program shall sunset on December 31, 2015.

For inquiries, please contact the Gaston County Tax Department at 704-810-5848.

Gaston County Small Business Investment Grant Program

Purpose

The Gaston County Board of Commissioners has supported economic development for more than twenty years with an emphasis on tax base development, employer diversification and job creation. The Commission has recognized the need to provide programs and financial support to strengthen and diversify the County's economy. Tax base development is a key concern for the County's fiscal health. The Gaston County Small Business Investment Grant Program is intended to combat the current recession and high rate of unemployment, and to provide an inducement for new business to locate in Gaston County and encourage existing businesses to expand in Gaston County.

Grant Program Description

This program provides a temporary grant to businesses investing in Gaston County that is based upon the investment made by the business in calendar year 2014. The grant will be established by an application with Gaston County. The business must pay its taxes in full based on the actual tax value of the property or investment. If the business meets all of the criteria in the application, a portion of the property tax will be returned as a grant.

- ◆ Investment Grants will be based on the increase in tax value of all real property, business personal property (i.e. machinery & equipment, furniture & fixtures, computer equipment, leasehold improvements, and construction in progress (CIP)), and business vehicles above the base year prior to investment. No grant will be given to a business that would reduce its tax payment to an amount lower than the previous tax year.
- ◆ Purchases of any existing Gaston County facility or assets **will not** qualify for the program.
- ◆ All grant monies will be taken directly from the businesses' tax payment. The business must be current with all other payments required by Gaston County.
- ◆ The Gaston County Tax Department and the Gaston County Economic Development Commission have established procedures for the implementation of this program.
- ◆ The Gaston County Board of Commissioners may modify or eliminate the program subject to meeting all existing grant obligations in effect at the time.

Gaston County Small Business Investment Grant Program

I. Grant Guidelines:

- ◆ The Small Business Grant requires a net increase in tax value of at least \$10,000 but less than \$1,000,000 resulting from investment made in calendar year 2014. The intent of the investment grant program is to ensure that the County will see an increase in the property tax base at least equal to the minimum grant requirements. **Net new investment** is any new asset purchases, as well as assets transferred into Gaston County, less depreciation on all personal property assets. The base year used in grant calculations for existing Gaston County businesses will be the previous tax year value prior to application. The beginning base value is calculated on all existing assets (real & personal) for the base year.
- ◆ Only new purchases and assets transferred into Gaston County from other locations outside Gaston County will be applicable for grant consideration. Purchase of any pre-existing Gaston County facility or assets **will not** qualify.
- ◆ Real and personal property will be based on current Gaston County appraised tax value at time of application and not on a business' investment costs.
- ◆ Investment grant checks will be distributed to the property owner who was responsible for the related tax payments. Each business entity/name shall qualify on its own asset merit.
- ◆ All assets used in consideration for the grant will be subject to audit by the Gaston County Tax Director's office to ensure accuracy and compliance with the terms of the grant. The burden of proof is upon the taxpayer to prove these related assets qualify. Cooperation of the taxpayer to provide detailed information as required is essential in the grant approval process. The business entity must also agree to the value of all existing assets prior to receiving payment from Gaston County. Any appeal of value must be resolved totally before payout can be made.

- ◆ Decisions concerning eligibility, qualification of assets and grant value calculations will be made by the Gaston County Tax Department and will be final.
- ◆ The Gaston County Board of Commissioners may modify or eliminate the program subject to meeting existing grant obligations in effect at the time.

II. Definitions:

Base Value – The Gaston County taxable assessed value of all existing assets (real & personal) for the base year.

Base Year – The previous tax year prior to grant application.

Business – A commercial activity engaged in as a means of livelihood or profit, or an entity which engages in such activities. For example: buying and selling goods, making products or providing services. The basic forms of business ownership are: sole proprietorship, partnership, corporation and cooperative.

Business Personal Property Listing Form – The official form on which businesses report their personal property assets annually during the month of January as required by North Carolina State Law.

County Application – The official forms approved by Gaston County by which the applying business requests consideration for their recent investments toward the County's Small Business Investment Grant Program.

Foreign Location – Any location existing outside Gaston County boundaries.

Gaston County Commissioners – The body of elected officials which governs budget, policy, and procedures in Gaston County.

Net New Investment – New asset purchases, as well as transferred assets moved into Gaston County from foreign locations, less depreciation on all personal property assets.

Personal Property – All items not permanently affixed to the real property and that are typically depreciated over time (i.e. machinery & equipment, furniture & fixtures, computer equipment, leasehold improvements, construction in process (CIP), and qualifying business vehicles).

Pre-existing Assets – Assets, either real or personal, already located in Gaston County prior to ownership by grant applicant.

Real Property – Any land, buildings, improvements, permanent fixtures, and rights & privileges belonging thereto.

III. The application process:

- ◆ A 2015 Business Personal Property Listing Form must be completed in full and received timely by the Gaston County Tax Department during the 2015 listing period. Listing forms or requests for extension must be filed by February 2, 2015. By law, the extended listing deadline may be no later than April 15th. If the listing is filed late, the grant will not be approved.
- ◆ Application forms must be completed in full and received by the Gaston County Tax Department no later than April 15, 2015. If filed late, the grant will not be approved.
- ◆ Listing forms and applications must be mailed to: Gaston County Tax Dept
PO Box 1578
Gastonia, NC 28053

IV. The payout procedure

- ◆ Calculation of payout will be based on the qualifying increase from the prior year's tax value (base year) and shall be computed as follows:
 - a) The qualifying value for a business in existence prior to 2014 will be determined by looking at all assets in the County, and not just new investments during 2014, to determine base year amounts. The difference between the base year tax value and the grant year tax value will be the qualifying **net new investment**. The grant payout will be equal to 50% of the county tax that was paid on this qualifying amount.
 - b) A new business' qualifying **net new investment** will be determined by the taxable new investment made in the county. The grant payout will be equal to 50% of the county tax that was paid on this qualifying amount.
- ◆ After all taxes have been timely paid, and any & all tax value appeals resolved, the Tax Director's office will notify the Gaston County Finance Department to remit payment to the taxpayer.
- ◆ Checks for qualifying grants will be processed (paid) in July, 2016. If 2015 annual taxes on real and personal property are not paid timely by January 5, 2016, or there are any other delinquent taxes as of June 1, 2016, the grant will be terminated and applicant will be notified.

Notes: