



Job Creation Tax Credit (JCTC)

Is your company growing? Expanding? Moving?

In some situations, the City of Cincinnati may offer a job creation tax credit to a company that is considering expanding in, or moving to, Cincinnati. The credit is offered in consideration for net, new jobs created in the City, and is offered in conjunction with the State of Ohio.

The local JCTC is a credit against a company's net profits tax obligation. The state JCTC provides a credit against a company's Ohio commercial activity tax obligation.

How does the credit work?

Suppose a company creates 100 new jobs averaging \$20 per hour and the City offers a 50% JCTC for 5 years:

100 jobs @ \$20/hour.....	\$4.16 million payroll
\$4.16M x 2.1% earnings tax.....	\$87,360
50% credit	\$43,680
Total city incentive.....	\$218,400

How do I learn more?

Contact the Economic Development Division at (513) 352-2499. To learn more about the Ohio program, contact the Ohio Department of Development at (513) 852-2826 or visit www.development.ohio.gov/Business/Tax_Credit.htm

Which projects are eligible?

- At least 25 new, full-time jobs must be created by the company within 3 years of initial operations and maintained for twice the term of the credit. In some circumstances, projects creating as few as 10 new, full-time, high-salary jobs may also be eligible.
- The average wage rate of the new, full-time jobs must be at least 150% of federal minimum wage.
- If the project involves an expansion or consolidation of an existing facility, the company must commit to retaining the current number of employees.
- The project must involve a substantial fixed-asset investment.
- The company must demonstrate that it is economically sound and financially viable.
- The project must not have started prior to approval by the City and the State.
- Significant portions of the sales or revenues attributable to service projects must be generated from outside the state.
- Existing jobs for intrastate relocation projects are ineligible. New retail projects and lower-paying service projects are also ineligible.
- The company must demonstrate that the tax credit is a major factor in its decision to expand or locate in Cincinnati.