

Property Investment Reimbursement (PIR)

Is your company growing? Expanding? Moving?

The City of Cincinnati may offer a Property Investment Reimbursement to a company that is considering expanding in, or moving to, Cincinnati. The incentive is offered in consideration for net, new jobs created in the City, and significant capital investment.

The PIR is a cash payment from the City designed to offset a portion of a company's net profits tax obligation. The payment is a percentage of either: the earnings tax generated from the net, new employees that are hired by the company, or the annualized cost of the capital investment. It does not require a match from the State of Ohio.

How does a PIR work?

Suppose a company invests \$1 million in fixed assets and hires 100 new employees at an average salary of \$70,000, and the City offers a five-year, 50 percent PIR. The company would receive a payment of the lesser of 50% of that individual earnings tax obligation (\$73,500), or the annualized cost of the capital investment (\$200,000).

100 jobs @ \$70,000 Salary.....	\$7 million in new payroll
\$7 million payroll x 2.1% earnings tax.....	\$147,000 in new earnings tax
50% PIR on the earnings tax obligation	\$73,500
Total city incentive over 5 years	\$367,500

How do I learn more?

Contact the Economic Development Division at (513) 352 2499.

Which projects are eligible?

- At least 25 new, full-time jobs must be created and maintained for twice the term of the credit by the company within 3 years of initial operations.
- The company must demonstrate that it is economically sound and financially viable.
- The project cannot begin prior to the execution of the PIR agreement.
- The company must demonstrate that the incentive is a major factor in its decision to expand or locate in Cincinnati.
- The company must maintain its operations and base number of new jobs at the site for at least twice the term of the incentive.