Money-Back Guarantees for Taxpayers

Clawbacks and Other Enforcement Safeguards in State Economic Development Subsidy Programs

GOOD JOBS FIRST

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Clawbacks and Other Enforcement Safeguards in State Economic Development Subsidy Programs

By Philip Mattera,

Thomas Cafcas, Leigh McIlvaine,

Andrew Seifter and Kasia Tarczynska

Good Jobs First

1616 P Street NW Suite 210
Washington, DC 20036
202-232-1616
www.goodjobsfirst.org

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Executive Summary

States and localities in the United States spend an estimated $70 billion per year on economic development subsidies, also known as incentives. Yet the companies receiving that assistance do not always deliver as many jobs or other public benefits as promised; many deals, such as the heavily subsidized computer plant in North Carolina shut down by Dell, fall short. As states and cities enter their fourth consecutive year of severe fiscal stress, they must confront the issue of underperformance by economic development subsidy recipients.

Every state engages in at least some minimal enforcement of its subsidy performance standards. But 10 percent of major state programs still do not require companies to report to state agencies on job creation and other outcomes, and many more programs are seriously deficient in how they monitor recipients. Even states that monitor adequately often fail to act decisively in dealing with cases of non-compliance. No state has sound, consistent procedures in all of its major programs.

These are the broad findings of *Money-Back Guarantees for Taxpayers*, a follow-up to the December 2011 Good Jobs First report *Money for Something*, which looked at the extent to which states have adopted provisions in their key economic development subsidy programs requiring recipients to meet job-creation or other quantifiable performance standards, including rules relating to minimum pay and benefit levels for their workers. We again look at the most significant subsidy programs in all 50 states and the District of Columbia—238 programs in all, which together cost taxpayers more than $11 billion a year.

The programs include corporate income tax credits (for job creation, capital investment, film production, and/or research & development), cash grants, low-cost or forgivable loans, enterprise zones, reimbursement for worker training expenses and other types of company-specific state assistance. (Subsidies that are enabled by state law but whose costs are borne by local governments, such as property tax abatements, are not among the programs examined unless they are combined with state subsidies.)

We rate each of the 238 programs on the scope and rigor of its procedures for monitoring the performance of subsidy recipients and for dealing with cases of non-compliance on job creation, job quality and other standards.

Using these criteria, we rate each program on a scale of 0 to 100. We average the scores of each state's programs and rank the states and the District of Columbia by their averages. To avoid rewarding states for strong enforcement of weak requirements, we take into account the assessments of our *Money for Something* report. Each program's final score is derived half from our enforcement score and half from its *Money for Something* performance standards score. In other words, for a state to receive a high score it has to have strong performance standards and a strong system for enforcing those standards.

Enforcement is the third essential element of subsidy accountability. It is inseparable from recipient disclosure (which we examined in our December 2010 report *Show Us the Subsidies*) and job creation/job quality (the focus of *Money for Something*, issued in December 2011).

Extensive Reporting But More Limited Verification

- Ninety percent (215 of 238) of the programs we examined require companies receiving subsidies to report to state government agencies on job creation or other outcomes. Yet in 67 (or 31 percent) of those 215 programs, an agency does not independently verify the reported data.

- The 67 programs that require reporting but not verification are concentrated in 35 states, of which 19 have more than one program with that shortcoming. Remarkably, both the District of Columbia and South Carolina have no performance verification in any of their five major programs in our sample.

Insufficient Penalty Provisions and Too Many Loopholes

- About three-quarters (178) of the programs we examined contain a penalty provision of some kind, including recapture of benefits already provided and the recalibration or termination of future subsidies. An additional 41 programs are "performance-based," meaning that the company does not receive benefits until it has satisfied program requirements. This leaves 19 programs (or 8 percent) with little or no recourse against companies that fail to deliver on their job creation and other promises.

- The penalty provisions in 84 of the 178 programs with penalties are weakened by the fact that their implementation is discretionary rather than mandatory or by the presence of various exceptions. Appendix 4 of the report has summaries of the penalty provisions used by the programs we examined.

Very Limited Disclosure of Enforcement Activity

- We treat the disclosure of enforcement data as a prime indicator of whether an agency is serious about dealing with non-compliance. We find that: only 21 programs in a dozen states publish aggregate enforcement data (i.e., without company names or other deal specifics); only 38 programs disclose the names of companies deemed to be out of compliance; and only 14 disclose the names of companies which have been penalized (and the dollar amounts).

Grading the States and their Programs: Much Room for Improvement

Weighting the states' raw enforcement scores with their scores for job creation and job quality generates our final *Money-Back Guarantees for Taxpayers* scores.

- The states with the highest program scores are: Vermont (79), North Carolina (76), Nevada (74), Maryland (70), Iowa (69), Virginia (69), and Oklahoma (64). The states with the lowest averages are: the District of Columbia (4), Alaska (19), North Dakota (30), and South Dakota (34). Twenty-two states score above 49, which is the average for all the states. Below is a table with each state's score and rank.

- By ranking last, the District of Columbia has now rated worst in all three of our "report card" studies. It shared last place with 13 states for having no online disclosure in our *Show Us the Subsidies* report and ranked 51st in our *Money for Something* report for lacking job creation and job quality standards.

- The states that benefit the most from our weighted scoring system—i.e., those whose relatively weak enforcement practices are buoyed by stronger underlying standards—are Florida (up 23 places from its enforcement-only ranking), Rhode Island (up 20), Georgia (up 19), Mississippi (up 17), and Nevada (up 17). Conversely, the states that suffer most from the weighting—i.e., those whose relatively strong enforcement practices mean less because they apply to weaker underlying standards—are Oregon (down 29 places), Massachusetts (down 21), Wyoming (down 20), California (down 15), and Illinois (down 15). See Appendix 3 for the enforcement-only averages for each state.

- While every state engages in at least minimal enforcement, there are great variations among the weighted program scores within many states. Fifteen states have divergences of more than 50 points between their highest and lowest-scoring programs. The biggest state divergences are: Iowa (78), Maine (75), Maryland (73), Louisiana (69), and Nebraska (64). At the other end is New York, with a divergence of only 8 points among its programs, which all score poorly in the 30s.

- Clearly, states know very well how to apply rigorous enforcement techniques but often fail to do so consistently across their entire portfolio of subsidy programs.

- State economic development policies typically evolve over many years, so current administrations do not deserve all the credit or blame.

Policy Recommendations

To assist economic development policymakers and practitioners in improving their subsidy enforcement practices, we offer the following policy recommendations:

- All recipients in all programs should be required to report to agencies on job creation, wages, benefits and other performance benchmarks. Recipient reporting data should be disclosed online at least annually as part of a state's disclosure system.

- All reported information should be verified by agencies using techniques such as auditing and cross-checking of company claims against separate reliable data sources such as unemployment insurance records.

- Agencies should penalize recipients found to be out of compliance, employing techniques such as recapture (clawbacks), recalibration of future benefits and rescission/termination of subsidy agreements. Programs that are performance-based should operate without penalties only if recipients are required to fulfill all programs requirements before receiving any subsidies.

- Penalty systems should be straightforward and consistent and not weakened by various exceptions or by giving agency officials discretion on whether to implement them.

- Agencies should publish detailed data on their enforcement activities, including the names of the recipients found to be non-compliant and those penalized (including the penalty amounts).

As we cautioned in *Money for Something* with regard to performance requirements, the fact that a state adopts strong enforcement procedures does not guarantee that any given subsidy program or deal is a good use of taxpayer funds. Some programs may simply offer too much assistance to companies, so that benefits will never outweigh costs. Others may have become so deregulated that they are windfalls rather than incentives. For such programs, abolition rather than accountability is the correct policy, especially in times of severe budgetary stress.

Yet as long as a program is in operation, taxpayers have a right to demand both strong performance requirements (including job creation and job quality standards) and aggressive enforcement of those requirements. When a company is given subsidies without strings, that is a handout rather than economic development.

A summary of state scores and ranks is on the following page.

State Enforcement Scoring by Rank and Alphabetically (Weighted by Performance Standards Score)

Rank	*State*	*Average*	*Grade*
1	Vermont	79	B-
2	North Carolina	76	B-
3	Nevada	74	B-
4	Maryland	70	B-
5 (tie)	Iowa	69	C+
5 (tie)	Virginia	69	C+
7	Oklahoma	64	C+
8 (tie)	Colorado	60	C+
8 (tie)	Kansas	60	C+
8 (tie)	Missouri	60	C+
8 (tie)	Wisconsin	60	C+
12	Arizona	59	C
13	Rhode Island	57	C
14 (tie)	Florida	56	C
14 (tie)	Nebraska	56	C
16	Texas	54	C
17	New Jersey	53	C
18 (tie)	Delaware	52	C
18 (tie)	Illinois	52	C
18 tie)	Michigan	52	C
21	Georgia	51	C
22	Connecticut	50	C
23 (tie)	Indiana	49	C-
23 (tie)	Minnesota	49	C-
23 (tie)	Mississippi	49	C-
23 (tie)	Ohio	49	C-
23 (tie)	Utah	49	C-
28	Arkansas	48	C-
29 (tie)	Tennessee	47	C-
29 (tie)	West Virginia	47	C-
31	Louisiana	46	C-
32 (tie)	Kentucky	45	C-
32 (tie)	New Hampshire	45	C-
34 (tie)	Alabama	44	C-
34 (tie)	Massachusetts	44	C-
36 (tie)	California	43	C-
36 (tie)	Pennsylvania	43	C-
38 (tie)	Idaho	42	C-
38 (tie)	South Carolina	42	C-
40	Oregon	41	C-
41	Maine	40	C-
42	Montana	38	D+
43 (tie)	Hawaii	37	D+
43 (tie)	Washington	37	D+
45 (tie)	New Mexico	35	D+
45 (tie)	New York	35	D+
45 (tie)	Wyoming	35	D+
48	South Dakota	34	D+
49	North Dakota	30	D+
50	Alaska	19	D-
51	District of Columbia	4	D-

State	*Average*	*Grade*	*Rank*
Alabama	44	C-	34 (tie)
Alaska	19	D-	50
Arizona	59	C	12
Arkansas	48	C-	28
California	43	C-	36 (tie)
Colorado	60	C+	8 (tie)
Connecticut	50	C	22
Delaware	52	C	18 (tie)
District of Columbia	4	D-	51
Florida	56	C	14 (tie)
Georgia	51	C	21
Hawaii	37	D+	43 (tie)
Idaho	42	C-	38 (tie)
Illinois	52	C	18 (tie)
Indiana	49	C-	23 (tie)
Iowa	69	C+	5 (tie)
Kansas	60	C+	8 (tie)
Kentucky	45	C-	32 (tie)
Louisiana	46	C-	31
Maine	40	C-	41
Maryland	70	B-	4
Massachusetts	44	C-	34 (tie)
Michigan	52	C	18 (tie)
Minnesota	49	C-	23 (tie)
Mississippi	49	C-	23 (tie)
Missouri	60	C+	8 (tie)
Montana	38	D+	42
Nebraska	56	C	14 (tie)
Nevada	74	B-	3
New Hampshire	45	C-	32 (tie)
New Jersey	53	C	17
New Mexico	35	D+	45 (tie)
New York	35	D+	45 (tie)
North Carolina	76	B-	2
North Dakota	30	D+	49
Ohio	49	C-	23 (tie)
Oklahoma	64	C+	7
Oregon	41	C-	40
Pennsylvania	43	C-	36 (tie)
Rhode Island	57	C	13
South Carolina	42	C-	38 (tie)
South Dakota	34	D+	48
Tennessee	47	C-	29 (tie)
Texas	54	C	16
Utah	49	C-	23 (tie)
Vermont	79	B-	1
Virginia	69	C+	5 (tie)
Washington	37	D+	43 (tie)
West Virginia	47	C-	29 (tie)
Wisconsin	60	C+	8 (tie)
Wyoming	35	D+	45 (tie)

Letter grading system: A+ (97 and above); A (93-96); A- (89-92); B+ (83-86); B (80-83); B- (70-79); C+ (60-69); C (50-59); C- (40-49); D+ (30-39); D (20-29); D- (1-19); F (0)

Chapter 1: Introduction and Methodology

On October 7, 2009 the residents of North Carolina were shocked to hear that computer-maker Dell was going to shut down its assembly plant in Winston-Salem and lay off its 900 workers as part of a plan to outsource its U.S. production to offshore operations run by contractors. It was bitter news for a state that had been hard-hit by textile and furniture factory shutdowns and then paid dearly to stimulate new jobs: only five years earlier, state and local officials had assembled a subsidy package potentially worth about $280 million to lure the Dell plant.

Along with expressions of disappointment and anger, there were vows to get even. Gov. Bev Perdue declared that her administration had made it clear to Dell that "every red cent of incentive money had to come back to the people of North Carolina."[1]

But multiple subsidies were involved, and the fine print was not so tidy. It was unclear how much could be recovered of the fraction of the $280 million the company had already received. Some of the subsidies were lump-sum grants while others were tax credits to be awarded over time, tied to employment levels and output at the plant. In the end, Dell repaid about $26 million in local subsidies and a $1.5 million state grant, but it refused to return an estimated $6 million it had received in state job-creation tax credits.[2]

A similar controversy erupted in Massachusetts in January 2011 after Evergreen Solar, saying it could not compete with low-cost competitors in China, announced that it would shut down a solar panel manufacturing plant that had received a $58 million subsidy package from the state. Massachusetts said it would be able to recoup only $3 million of the $21 million that Evergreen had already received in direct grants.[3]

These high-profile episodes are just two of numerous instances in which companies that received subsidies and then failed to deliver on jobs were compelled to repay all or part of the financial assistance they had received. Along with cases involving failed individual deals, entire programs and agencies have been found to have widespread underperformance among their recipients. Such findings have been made many times by state auditors, non-profit groups and investigative journalists. For example:

- An investigation by Gannett found that only 60 percent of companies in Wisconsin that completed job-creation tax credit contracts during the past five years ended up hiring as many people as they had promised.[4]

- The *Des Moines Register* published a similar investigation that discovered an increase in the number of Iowa companies failing to deliver on job promises they made to receive tax breaks from the state.[5]

- WTHR-TV in Indianapolis investigated deals made by the Indiana Economic Development Corporation (IEDC) and found numerous subsidized companies that had big job shortfalls, or had even closed down. It found that a large portion of the roughly 100,000 new jobs claimed by IEDC had not materialized.[6]

- The Minneapolis *Star Tribune* found that one-fifth of the companies receiving subsidies in Minnesota from 2004 to 2009 did not meet their hiring commitments.[7]

- After reviewing data released by Florida officials on subsidy deals dating back to 1995, the *Orlando Sentinel* calculated that only about one-third of the projected jobs had actually been created.[8]

All this indicates that companies often fail to comply with the conditions placed on the estimated $70 billion a year that U.S. states and localities spend each year on corporate tax credits, property tax abatements, sales tax exemptions, cash grants, reimbursement for worker training and other forms of financial assistance given to companies to promote job-creation and expansion of business activity.[9] This report seeks to evaluate how states deal with this problem of non-compliance.

Program Universe and Rating Methodology

Money-Back Guarantees for Taxpayers is the third in a series of reports in which Good Jobs First reviews the accountability provisions of major subsidy programs in each of the 50 states and the District of Columbia. In *Show Us the Subsidies* (December 2010) we assessed programs on whether they provide online disclosure of which companies are receiving assistance, the amounts received, and the key outcomes (such as job numbers and wage rates). In *Money for Something* (December 2010) we rated the programs on whether they include quantifiable requirements relating to job creation and standards on job quality (wage and benefit levels). Here we evaluate the same programs on their enforcement of those job creation and job quality requirements.[10] Our analysis focuses on the statutory and administrative rules and verifiable practices of the various programs— not on outcomes or on cost-benefit or fiscal break-even considerations.

As in *Money for Something*, we gathered information on each program's enforcement procedures by, first, carefully analyzing its enabling legislation and the state regulations governing its operation. We also consulted other material on state agency websites. Once we had absorbed all that information, we then contacted the state agency overseeing the program to confirm our interpretation of what we had read and to request additional details. We then applied the findings for each program to a scoring system we developed focusing on whether the program has:

- Requirements for recipient companies to report their outcomes to the agency;
- Procedures for verifying the information reported by the recipients; and
- Penalties of various kinds for dealing with non-compliant recipients.

Having heard of numerous episodes over the years in which states failed to apply penalties, we initially set out to measure the willingness of the agencies overseeing each program to hold non-compliant companies accountable. We requested data on the application of penalties and asked agency officials to characterize their approaches to enforcement.

Neither of these efforts produced satisfactory results. A large number of agencies claimed not to have data on enforcement or were unwilling to share it with us. Numerous officials were also reluctant to even characterize their practices in general terms, and for those who did there were indications that some were deliberately overstating or understating their rigor. Some apparently felt it was important to appear tough even when that may not have been the case, while others apparently worried about projecting a hard-nosed image lest it undermine the state's "business climate."

For these reasons we were forced to employ a diagnostic proxy: the online disclosure of enforcement data, whether in aggregate terms or on a company-specific basis. Based on our long experience looking at subsidy practices, we believe that the willingness of an agency to post information about its enforcement activity is a good measure of whether it takes enforcement seriously.

Our scoring system assigns points to aspects of reporting, verification, and disclosure of penalties and enforcement, and then rates each program on a scale of 0 to 100. The following section contains more details on our scoring system and summarizes our overall findings. Scoring details for each state can be found in the online state appendices at: www.goodjobsfirst.org/moneyback.

Viewpoint: Clawbacks Are a Proven Solution to Prevent Subsidy Abuse

by Greg LeRoy
Founder and Executive Director, Good Jobs First

Before there were clawbacks, there was litigation—and a lot of acrimony. From the mid-1980s through the early 1990s, there was a rash of lawsuits: cities or states suing companies for leaving with jobs that taxpayers had subsidized. Cases such as Playskool/Hasbro in Chicago, Otis Elevator in Yonkers, Diamond Tool in Duluth, General Motors in both Ypsilanti Township (Michigan) and Norwood (Ohio), and Newell Corporation in Clarksburg (West Virginia) were evidence of enormous frustration among public officials, who risked their "business climate" images with such adversarial moves. The lawsuits attracted high media attention and the attention of contract-law scholars.[11]

In the wake of these disputes, states and cities moved to enact clawbacks, and their related remedies rescissions (or the cancellation of future years of a subsidy) and recalibrations (or the revision of the terms of a subsidy, making it less costly to taxpayers to reflect a smaller public benefit, i.e., fewer jobs).

To document this positive development, I wrote *No More Candy Store: States and Cities and Making Job Subsidies Accountable*[12] in 1994, based upon my decade of consulting against plant closings and subsidy abuse. It is the first collection of clawbacks, plus other safeguards such as disclosure and job quality standards. Since Good Jobs First's launch in 1998, we have promoted clawbacks, and in 2007 we published *The Ideal Deal: How Local Governments Can Get More for Their Economic Development Dollar.*[13] *W*ritten by economic development contract experts Rachel Weber and David Santacroce, it shows how clawbacks have become an established best practice.

Although some business advocates have occasionally tried to argue that clawbacks are harmful to a state or city's "business climate," there is no evidence of such harm, and the number of states and cities employing them has only grown. Indeed, to oppose clawbacks is to say in effect: governments should allow companies to take taxpayer money and run. Public officials confronted with a high-profile deal that fails quickly realize that doing nothing is the surest way to create a public outcry for the end of a program, an agency—or an elected official's term in office.

Using clawbacks is also essential to maintaining the perceptions of small businesspeople that economic development programs are fair, since it is the largest deals with multistate companies that involve the most-publicized disputes.

Although public officials, out of "business climate" timidity, don't usually announce it when they claw back, there have been many large recaptures over the years. Philips Semiconductor paid back $13 million to Albuquerque in 2002 when it closed a microchip plant. New York City recaptured $24.7 million from Pfizer in 2010 after it moved jobs to two other states. Wal-Mart repaid $1.7 million to Ohio in 2009 for closing an eyeglass factory. United Airlines, Cabela's, Alliant Techsystems, ABB, Genzyme, Alcoa, and Humana have also paid back due to shortfalls, as have many lesser-known companies. Instead of litigation, there were good contracts and clear regulations. Companies clearly understood their obligations, and public officials protected taxpayers.

Finally, clawback activity very likely increased during the nation's economic downturn. Precisely how much it increased cannot be quantified because, as we document here, far too many states fail to disclose their clawback activity. But for those states that do disclose and for multiple programs (such as Illinois and Texas), we know that clawback activity did increase. Yet no state claimed any harm to its economic development efforts (especially Texas with its job "miracle").

At their core, then, clawbacks are sound best practices in economic development. They reduce ambiguity and litigation between the public and private sectors. They sustain public and small business confidence. And they enable states and cities to re-deploy scarce dollars to other deals that really pay off for taxpayers.

Chapter 2: Findings

Most state economic development programs monitor the performance of the companies receiving financial assistance and in many cases penalize those that fail to meet employment or other targets. Yet these fundamental accountability practices are missing from a significant number of programs. We find a great deal of discrepancy both among states and among programs within states. Below we detail our findings by state, by program and by the criteria we used in our assessment.

As in *Show Us the Subsidies* and *Money for Something*, we developed a scoring system to rate the most important subsidy programs in each state and the District of Columbia. We based our evaluation of state enforcement practices on whether there are requirements for subsidy recipients to report to the agency on their performance, whether the agency verifies such reports, and whether a state imposes penalties on those recipients that fail to meet the program's requirements. Assigning point values to these and related criteria, we rate each program on a scale of 0 to 100. See Appendix 1 for a sample scoring sheet.

We then average the program score in each state (and the District) and rank them according to those averages. Here, unlike in our previous studies, we add another step. Enforcement of standards cannot be meaningfully evaluated without consideration of those standards themselves. It would be misleading to give a state a high score for aggressively enforcing weak standards. In the same way, it would be inaccurate to unduly penalize states that were less aggressive in enforcing stronger standards.

To account for those issues, we take our raw state enforcement scores and weight them according to the strength of the standards we found in *Money for Something*. Specifically, we derive our *Money-Back Guarantees for Taxpayers* final scores by adding half of a state's raw enforcement score and half of its *Money for Something* score. In other words, for a state to receive a high score it has to have strong performance standards and a strong system for enforcing those standards.

Top and Bottom States

The states with the highest scores are: Vermont (79), North Carolina (76), Nevada (74), Maryland (70), Iowa (69), Virginia (69), and Oklahoma (64). The states with the lowest scores are: the District of Columbia (4), Alaska (19), North Dakota (30), and South Dakota (34). Below is a table with each state's weighted score and rank.

As in *Money for Something*, we also provide a system of letter grades that diverges from the usual system used in schools. We limit the failing grade of F to states with no enforcement provisions at all (none, it turns out), and we stretch out the range for the lower passing grades (see the note at the bottom of the table).

Even with this generous grading system, no state gets better than a B-minus, given to Vermont, North Carolina, Nevada and Maryland. Seven states get a C-plus; 11 get a C; 19 get a C-minus; and 8 get a D-plus. Only Alaska and the District of Columbia receive a D-minus.

The states that benefit the most from the weighting—i.e., those whose relatively weak enforcement practices but stronger underlying standards—are Florida (up 23 places from its enforcement-only ranking), Rhode Island (up 20), Georgia (up 19), Mississippi (up 17), and Nevada (up 17). Conversely, the states that lose the most from the weighting—i.e., those whose relatively strong enforcement practices mean less because they apply to weaker underlying standards—are Oregon (down 29 places), Massachusetts (down 21), Wyoming (down 20), California (down 15), and Illinois (down 15). Among the top ten states, the following states are there only because of the weighting: Nevada, Iowa, Oklahoma, Missouri and Wisconsin. See Appendix 3 for the unweighted averages for each state.

State policies have evolved over many years in most cases, so current administrations do not deserve all the credit or blame.

The following table summarizes the weighted state averages, grades and ranks:

State Enforcement Scoring by Rank and Alphabetically (Weighted by Performance Standards Score)

Rank	*State*	*Average*	*Grade*
1	Vermont	79	B-
2	North Carolina	76	B-
3	Nevada	74	B-
4	Maryland	70	B-
5 (tie)	Iowa	69	C+
5 (tie)	Virginia	69	C+
7	Oklahoma	64	C+
8 (tie)	Colorado	60	C+
8 (tie)	Kansas	60	C+
8 (tie)	Missouri	60	C+
8 (tie)	Wisconsin	60	C+
12	Arizona	59	C
13	Rhode Island	57	C
14 (tie)	Florida	56	C
14 (tie)	Nebraska	56	C
16	Texas	54	C
17	New Jersey	53	C
18 (tie)	Delaware	52	C
18 (tie)	Illinois	52	C
18 tie)	Michigan	52	C
21	Georgia	51	C
22	Connecticut	50	C
23 (tie)	Indiana	49	C-
23 (tie)	Minnesota	49	C-
23 (tie)	Mississippi	49	C-
23 (tie)	Ohio	49	C-
23 (tie)	Utah	49	C-
28	Arkansas	48	C-
29 (tie)	Tennessee	47	C-
29 (tie)	West Virginia	47	C-
31	Louisiana	46	C-
32 (tie)	Kentucky	45	C-
32 (tie)	New Hampshire	45	C-
34 (tie)	Alabama	44	C-
34 (tie)	Massachusetts	44	C-
36 (tie)	California	43	C-
36 (tie)	Pennsylvania	43	C-
38 (tie)	Idaho	42	C-
38 (tie)	South Carolina	42	C-
40	Oregon	41	C-
41	Maine	40	C-
42	Montana	38	D+
43 (tie)	Hawaii	37	D+
43 (tie)	Washington	37	D+
45 (tie)	New Mexico	35	D+
45 (tie)	New York	35	D+
45 (tie)	Wyoming	35	D+
48	South Dakota	34	D+
49	North Dakota	30	D+
50	Alaska	19	D-
51	District of Columbia	4	D-

State	*Average*	*Grade*	*Rank*
Alabama	44	C-	34 (tie)
Alaska	19	D-	50
Arizona	59	C	12
Arkansas	48	C-	28
California	43	C-	36 (tie)
Colorado	60	C+	8 (tie)
Connecticut	50	C	22
Delaware	52	C	18 (tie)
District of Columbia	4	D-	51
Florida	56	C	14 (tie)
Georgia	51	C	21
Hawaii	37	D+	43 (tie)
Idaho	42	C-	38 (tie)
Illinois	52	C	18 (tie)
Indiana	49	C-	23 (tie)
Iowa	69	C+	5 (tie)
Kansas	60	C+	8 (tie)
Kentucky	45	C-	32 (tie)
Louisiana	46	C-	31
Maine	40	C-	41
Maryland	70	B-	4
Massachusetts	44	C-	34 (tie)
Michigan	52	C	18 (tie)
Minnesota	49	C-	23 (tie)
Mississippi	49	C-	23 (tie)
Missouri	60	C+	8 (tie)
Montana	38	D+	42
Nebraska	56	C	14 (tie)
Nevada	74	B-	3
New Hampshire	45	C-	32 (tie)
New Jersey	53	C	17
New Mexico	35	D+	45 (tie)
New York	35	D+	45 (tie)
North Carolina	76	B-	2
North Dakota	30	D+	49
Ohio	49	C-	23 (tie)
Oklahoma	64	C+	7
Oregon	41	C-	40
Pennsylvania	43	C-	36 (tie)
Rhode Island	57	C	13
South Carolina	42	C-	38 (tie)
South Dakota	34	D+	48
Tennessee	47	C-	29 (tie)
Texas	54	C	16
Utah	49	C-	23 (tie)
Vermont	79	B-	1
Virginia	69	C+	5 (tie)
Washington	37	D+	43 (tie)
West Virginia	47	C-	29 (tie)
Wisconsin	60	C+	8 (tie)
Wyoming	35	D+	45 (tie)

Letter grading system: A+ (97 and above); A (93-96); A- (89-92); B+ (83-86); B (80-83); B- (70-79); C+ (60-69); C (50-59); C- (40-49); D+ (30-39); D (20-29); D- (1-19); F (0)

Top and Bottom Programs

The importance of adjusting the raw enforcement scores to reflect the rigor of performance standards is evident when looking at the results by program. We found that some of the programs with the best scores in pure enforcement terms were ones that had scored quite poorly in our assessment of performance standards in *Money for Something*. For example, Michigan's Film Tax Credits got a raw enforcement score of 90, yet it received a meager 13 for performance standards. Two Illinois programs, the EDGE tax credit and Large Business Development Assistance, each had a raw enforcement score of 85 after scoring only 35 for their performance standards. The same numbers apply to the Texas Enterprise Fund. Results such as these were behind our decision to weight the enforcement results according to each program's performance standards.

The table below shows the highest ranking programs after the application of the weighting. One program scores above 100 (thanks to the weighting of extra credit points from *Money for Something*) and 22 others score above the highest state average (Vermont's 79).

Table: Highest Ranked Programs (Weighted)

State	*Program*	*Weighted Score*
VT	Vermont Employment Growth Incentive (VEGI)	102
MD	MEDAAF 1 & 2	98
MD	Sunny Day Fund	98
NC	One North Carolina Fund	98
IA	High Quality Job Creation Program	96
NC	Job Development Investment Grants (JDIG)	95
VT	Economic Advancement Tax Incentives (EATI)	93
IA	Enterprise Zone (Business Only)	90
KS	Promoting Employment Across Kansas (PEAK) Program	89
VA	Governor's Opportunity Fund (GOF)	89
VA	Virginia Investment Partnership (VIP) & Major Eligible Employer Grant (MEE)	88
LA	Quality Jobs Program	87
OK	21st Century Quality Jobs	87
MO	Quality Jobs Program	85
VA	Virginia Economic Development Incentive Grant (VEDIG)	85
VT	Vermont Training Program	85

At the same time, there are many programs with very low weighted scores: ten with zero (i.e., they completely fail on both job standards and enforcement) and another 14 with scores below 25. Four of those programs scoring zero are in the District of Columbia, two are in Alaska, and there is one each in Maine, Montana, New Mexico and South Dakota.

Both weighted and unweighted scores for each program can be found in Appendix 2.

Why Vermont and North Carolina Rate Best

Vermont ends up with the top weighted average for several reasons: all five of its major subsidy programs have reporting requirements; four of the five have independent verification of what is reported; four of the five have mandatory penalties with no exceptions; two of the programs have three types of penalties; and four of the five have at least one form of enforcement disclosure (two have all of the categories we consider).

Second place North Carolina has reporting requirements in all five of its major subsidy programs; three have independent verification; three have mandatory penalties with no exceptions; two have mandatory penalties with some exceptions; and two have full enforcement disclosure.

Vermont was first even before we applied our weighting system, while North Carolina rose from fifth place to second thanks to that system.

We found a great deal of unevenness within individual states. Fifteen states have divergences of more than 50 points between their highest and lowest-scoring programs. The biggest state divergences are: Iowa (78), Maine (75), Maryland (73), Louisiana (69), and Nebraska (64). At the other end is New York, with a divergence of only 8 points among its programs, which all score poorly in the 30s.

States might claim that wide divergences in scores relating to performance standards reflect the substantive differences among the programs in our sample. But that argument would not apply to the divergences in the enforcement scores. There is no good reason why many state agencies are failing to apply uniform enforcement procedures to subsidies of all types.

Disclosure vs. Performance Standards vs. Enforcement Practices

Now that we have evaluated roughly the same universe of state subsidy programs in terms of disclosure, performance standards and enforcement practices, we can compare how states do by these various accountability measures. The table below shows the top ten states in each of our three reports, with only the unadjusted scores shown for the current study. Given that *Money-Back Guarantees for Taxpayers* scores are an amalgam of ratings of performance standards and enforcement, we use the raw enforcement results for this comparative analysis.

Only one state, North Carolina, makes the top ten in disclosure, performance standards and enforcement. Three other states—Connecticut, Illinois and Michigan—rank in the top tier for disclosure and enforcement but not performance standards. Maryland, Virginia and Vermont are in the top ten for performance standards and enforcement but not disclosure.

Table: Highest Ranked States for Accountability Standards Across Good Jobs First Studies

Highest Ranked States in ***Show Us the Subsidies*** (disclosure)			Highest Ranked States in ***Money for Something*** (performance standards)			Highest Ranked States in Enforcement Scores (unadjusted)		
Rank	*State*	*Score*	*Rank*	*State*	*Score*	*Rank*	*State*	*Score*
1	IL	82	1	NV	82	1	VT	81
2	WI	71	2	NC	79	2	VA	76
3	NC	69	3	VT	77	3	IL	75
4	OH	66	4	IA	70	4	MI	73
5	MO	56	5	MD	68	5 (tie)	AZ	72
6	CT	48	6	OK	66	5 (tie)	NC	72
7	MI	47	7	VA	62	7	MD	71
8	IN	46	8 (tie)	FL	58	8 (tie)	CO	69
9	KY	45	8 (tie)	RI	58	8 (tie)	CT	69
10 (tie)	LA	43	10	TN	54	10	KS	68
10 (tie)	PA	43						
10 (tie)	TX	43						

Results by Scoring Component

Reporting Requirements

Public officials cannot enforce performance standards unless they know how subsidy recipients are performing. Surprisingly, state agencies do not always require companies to report on their job creation, capital investment, training and/or other outcomes that may be mandated in subsidy agreements.

We award 20 points to those programs that require recipients to report such information to the agency and no points to those that do not. Because our concern here is whether public officials have the data they need to engage in enforcement, we do not make a scoring distinction between those programs whose outcomes are disclosed to the public and those whose outcomes remain confidential. (One of the categories in our *Show Us the Subsidies* study is whether a program makes data on outcomes available online.) For tax credit programs, we award points if a company is required to complete a compliance form as part of its state tax return (even if there is no reporting to the economic development agency). Such forms can be reviewed by revenue department officials to check for compliance.

Of the 238 programs in our sample, 215 (or 90 percent) require recipients to report to a state agency on their outcomes. The following is a list of the 23 programs with *no* reporting provisions:

Table: Programs with No Reporting Provisions

State	*Program*
AK	Commercial Fishing Revolving Loan Program
AK	Development Finance Program
AR	Business and Industry Training Program
DC	Discretionary Property Tax Breaks
DC	Discretionary Sales and Use Tax Exemptions and Abatements
DC	Payments-In-Lieu-Of-Taxes (PILOTs)
DC	Tax Increment Financing (TIF)
GA	Investment Tax Credit
IA	Research Activities Credit (RAC)
KY	Coal Used in the Manufacture of Electricity
LA	Purchases of Manufacturing Machinery and Equipment Exemption
ME	Business Equipment Tax Reimbursement Program
MN	Research and Development Tax Credits
MT	Oil and Natural Gas Production Tax Exemptions
ND	Income Tax Exemption for New or Expanding Businesses
ND	Renaissance Zones
ND	Wage and Salary Credit
NE	Manufacturing Machinery and Equipment Exemption
NM	Tax Increment Development Districts
SC	readySC
SD	Pooled Bond Program
TN	Jobs Tax Credit
WY	Sales and Use Tax Exemption for Purchases of Manufacturing Equipment (HB 44)

For the most part, programs require recipients to report on *all* the relevant outcomes. Yet among the 215 with reporting provisions, 26 apply those rules only to *some* outcomes.

Among those 215 programs, 146 require reporting on an annual basis and 23 mandate it on a more frequent basis. Sixty-four ask for reporting at other intervals, usually once at the completion of a project.

Verification of Reported Information

It is not sufficient for agencies to simply require reporting—they must also take steps to ensure that the reported outcomes are accurate. In the words of Ronald Reagan: trust, but verify.

Agencies can verify recipient reporting in several different ways; the most reliable methods include formal program-specific audits of company records, cross-checking of employment figures with a separate reliable source such as unemployment insurance records, or, in the case of a qualified expenditure program, documentation of those expenses. In some cases, agencies do on-site inspections to verify company claims.

We award 20 points to those programs that engage in verification and no points to those that do not. We do not give credit if all the agency does is review company reports. We also do not give credit if recipients of a tax credit program are simply subject to the routine random auditing procedures that apply to all taxpayers.

Of the 215 programs in our sample with reporting requirements, more than three-fifths (148) engage in independent verification, while 67 do not. Twenty-seven states have more than one program without verification; among those are a dozen states and the District of Columbia with more than two. DC and South Carolina have no verification in any of their five major programs in our sample. The programs with reporting but no independent verification are listed below.

Table: Programs with No Independent Verification of Reported Claims

State	*Program*
AL	Alabama Industrial Development Training
AL	Enterprise Zone Credit
AL	Industrial Development Grant Program
CT	Enterprise Zone and Urban Jobs Tax Credits
DC	New E-Conomy Transformation Act of 2000 (NET 2000)
DE	Bank Franchise Tax Credits
FL	Enterprise Zone Program
GA	Job Tax Credit
GA	Quality Jobs Tax Credit
HI	Capital Goods Excise Tax Credit
HI	Enterprise Zones
HI	High-Technology Tax Credits (Act 221/ACT 215)
ID	Production Equipment and Supplies Sales Tax Exemption
ID	Workforce Development Training Fund Program
IL	IDOT Economic Development Program
IN	Enterprise Zone Program
IN	Twenty-First Century Research and Technology Fund (21 Fund)
KY	Machinery for New and Expanded Industry and Certain Industrial Machinery
LA	Industrial Tax Exemption Program
MD	Enterprise Zone - Real Property Tax Credits
MD	One Maryland Tax Credit
ME	Pine Tree Development Zones
ME	Research Expense Tax Credits and Super R&D Tax Credit
MI	Michigan's Advanced Battery Credits (MABC)
MI	Renaissance Zone Program
MN	Business Development Public Infrastructure Grant Program
MS	Advantage Jobs Incentive Program
MS	Jobs Tax Credit
MS	Manufacturing Investment Tax Credit
MS	Rural Economic Development (RED) Credits
MT	Qualified Research Credit
NC	Tax Credits for New and Expanding Businesses (Article 3J Credits)
NC	William S. Lee Quality Jobs and Business Expansion Act (Article 3A)

State	*Program*
NH	Economic Revitalization Zone Tax Credits
NH	Research and Development Credit
NJ	Economic Redevelopment and Growth (ERG) Grant Program
NM	Industrial Revenue Bonds
NY	Brownfield Cleanup Program
NY	Empire Zone Program
NY	Excelsior Jobs Program
NY	Industrial Development Agencies
OH	Community Reinvestment Area (CRA) Program
OK	Training for Industry
PA	Keystone Opportunity Zone (KOZ) Program
RI	Corporate Income Tax Rate Reduction for Job Creation
RI	Enterprise Zone Tax Credits
RI	Job Training Tax Credit
RI	Manufacturing and High Performance Manufacturing Investment Tax Credits
SC	Economic Impact Zone Investment Credit
SC	Job Development Credits
SC	Job Tax Credit
SC	Research & Development Credit
TN	FastTrack Job Training Assistance
TN	Headquarters Tax Credit
TN	Sales and Use Tax Credit for Qualified Facility to Support an Emerging Industry
TX	Texas Economic Development Act (Ch. 313)
TX	Texas Emerging Technology Fund (ETF)
VA	Major Business Facility Job Tax Credit
VT	VT Economic Development Authority loans
WA	Aircraft Pre-production Expenditures B&O Tax Credit
WA	High Technology B&O Tax Credit for R&D Spending
WI	Customized Labor Training Fund
WI	Economic Development Tax Credit Program
WI	Film Tax Credit Program (Film Production Services & Production Company Investment Tax Credits)
WV	Economic Opportunity Tax Credit
WV	Manufacturing Investment Tax Credit
WV	Strategic R&D Tax Credit

Types of Penalties

Assuming recipients have reported outcomes and the agency has verified the information, the next key question is what officials do when the data show that the company has not met its job-creation or other mandated performance requirements.

We analyzed our universe of 238 programs to determine, first, how many impose any kind of penalty for failing to meet a performance standard. About three-quarters (178) of the programs have such a provision; 60 do not. In fairness, it should be noted that some of the programs without explicit penalty procedures are structured in a purely "performance-based" way; i.e., companies do not receive financial benefits until *after* they have satisfied program requirements. Based on a careful examination, we put 41 programs in this category.

Table: "Performance-Based" Programs

State	*Program*
AK	Alaska's Clear and Equitable Share/ Oil and Gas Production Tax Credits
AK	Film Industry Tax Credit
AL	Enterprise Zone Credit
AL	Industrial Development Grant Program
AZ	Research and Development Income Tax Credit
CA	Film and TV Production Tax Credit
CA	Research and Development Tax Credit
CO	Colorado FIRST/Existing Industry Training Program
DE	Bank Franchise Tax Credits
FL	Enterprise Zone Program
HI	Enterprise Zones
HI	Film & Digital Media Income Tax Credit (Act 88)
IA	Research Activities Credit (RAC)
ID	Production Equipment and Supplies Sales Tax Exemption
ID	Workforce Development Training Fund Program
KS	Business Machinery and Equipment Credit
KS	High Performance Incentive Program (HPIP)
KY	Coal Used in the Manufacture of Electricity
KY	Machinery for New and Expanded Industry and Certain Industrial Machinery
LA	Purchases of Manufacturing Machinery and Equipment Exemption
MA	Film Tax Credit
MA	Research Tax Credit
MN	Research and Development Tax Credits
MT	Qualified Research Credit
ND	Wage and Salary Credit
NE	Customized Job Training
NH	Economic Revitalization Zone Tax Credits
NH	Research and Development Credit
NJ	Economic Redevelopment and Growth (ERG) Grant Program
NM	Film Tax Credit
NM	Manufacturer's Investment Tax Credit
NY	Empire State Film Production Credit
OH	Ohio Workforce Guarantee
OK	Training for Industry
OR	Oregon Production Investment Fund
OR	Research Tax Credit
SC	Research & Development Credit
WA	Aircraft Pre-production Expenditures B&O Tax Credit
WA	High Technology B&O Tax Credit for R&D Spending
WV	Governor's Guaranteed Work Force Program
WY	Data Processing Center – Sales/Use Tax Exemption

This leaves 19 non-performance-based programs lacking penalties.

Table: Programs Lacking Penalty Provisions (non-performance-based)

State	*Program*
AK	Commercial Fishing Revolving Loan Program
AK	Development Finance Program
AR	Business and Industry Training Program
CA	Enterprise Zone Program
DC	Discretionary Property Tax Breaks
DC	Discretionary Sales and Use Tax Exemptions and Abatements
DC	New E-Conomy Transformation Act of 2000 (NET 2000)
DC	Payments-In-Lieu-Of-Taxes (PILOTs)
DC	Tax Increment Financing (TIF)
FL	Economic Development Transportation Fund
ME	Business Equipment Tax Reimbursement Program
MO	Rebuilding Communities
MT	Oil and Natural Gas Production Tax Exemptions
NM	High Wage Jobs Tax Credit
NM	Tax Increment Development Districts
SC	readySC
SD	Pooled Bond Program
SD	South Dakota Agricultural Processing and Export Loan Program (APEX)
TN	Tennessee Job Skills

Penalties can come in various forms:

- Recapture (or clawback) provisions enable agencies to recoup funds (in whole or in part) from companies that received up-front payments or other subsidies early in a project and then failed to fulfill job-creation, job quality investment or other benchmarks.

- Recalibration provisions allow agencies to make downward adjustments to the formulas that determine the value of future subsidies.

- Rescissions allow agencies to cancel a subsidy agreement, thereby terminating future payments.

We award 10 points, the most in this category, to a program that has a recapture provision, since the ability to recover funds already paid out is the most thorough type of penalty. Separately, we award 5 points to programs with recalibrations and 5 to those with rescissions. Programs with more than one kind of penalty can receive up to 20 points. We do not give points for penalties relating only to actions such as fraud, which, while important, are separate issues from underperformance.

Of the 178 programs with penalties, 124 have a recapture provision, 57 provide for recalibrations and 119 allow rescissions. Many have multiple remedies: here are the totals for the various combinations:

- Recapture only: 45
- Rescission only: 35
- Recalibration only: 4
- Recapture and Recalibration only: 10
- Recapture and Rescission only: 41
- Recalibration and Rescission only: 15
- All three: 28

As noted above, we recognize that some subsidies are structured in a way that might make penalty provisions less necessary. To avoid unduly penalizing such performance-based programs in this scoring category, we award them 5 points. Forty-one programs receive these points.

Scope of Penalties

The fact that a penalty is on the books does not necessarily mean that an agency will apply it in all cases of recipient non-compliance. In fact, many programs have provisions built in that all but ensure that some non-compliers will escape punishment. These provisions are of two kinds:

- The rules may provide that the imposition of penalties is discretionary rather than mandatory. This enables officials to forgo enforcement for certain recipients, thus weakening the entire penalty system and suggesting favoritism; or

- The rules may list specific circumstances in which non-performing recipients are exempt from the penalties. These may include vague terms open to subjective interpretation such as a "downturn in general economic conditions," "unforeseen business circumstances," "good faith effort" or an "act of God."

We take the presence of such loopholes into account in our scoring system and give the maximum of 20 points in this category only to those programs whose penalties are mandatory and that do not have specified exceptions. (Temporary grace periods are not counted as exceptions.) We also give 20 points to the performance-based programs mentioned above.

We give 15 points in cases where the penalties are mandatory but there are exceptions; 10 points where the penalties are discretionary. For the latter we make no distinctions between those that have exceptions and those that do not. If the implementation of penalties is discretionary, the existence of exceptions is immaterial.

Of the 238 programs we examined, 94 receive the full 20 points for mandatory, exception-less penalties; another 41 get full points by virtue of being performance-based. Forty-three states are represented on this list of 94 but only two get the maximum points for all of their major programs: Mississippi and Rhode Island (counting performance-based programs, Oklahoma and Wyoming also get maximum points for all their programs). Six states get maximum points for all but one of their major programs: Georgia, Maryland, Michigan, Vermont, Virginia, and Wisconsin.

Thirty-one programs receive 15 points for having mandatory penalties but with exceptions. These programs come from 19 states. Those with the most penalties of this kind (covering three programs) are New Jersey and West Virginia.

Another 53 programs receive 10 points for having the weaker discretionary penalties, with or without exceptions. The remaining 19 programs get zero points because they have no penalties at all and are not performance-based.

Here's a breakdown of the number of programs with different types of exceptions (some have more than one):

- Downturn in general economic conditions: 10
- Unforeseen business circumstances: 15
- Bankruptcy of the company: 7
- "Act of God": 16
- Company made a good faith effort: 9

Others have exceptions for unusual circumstances such as riots (Kentucky's Bluegrass State Skills Corporation) or acts of terrorism (Florida's Qualified Target Industry Tax Refund).

Enforcement Practices

As explained in the previous chapter, we were unable to obtain useful data on the frequency with which state agencies actually implement penalty provisions. We thus decided to use a proxy measure: whether an agency posts enforcement data online. Based on our long experience, we believe the presence of such disclosure is a good indicator of which agencies are serious about enforcement.

We award 10 points to those programs for which online data is available on their overall enforcement activity, including aggregate information such as the number of recipients found to be non-compliant, the number penalized and the dollar amounts recaptured or otherwise collected. Separately, we award 5 points to programs that post the names of recipients found to be non-compliant and 5 points to those that post the names of recipients that have been penalized. Programs with more than one form of disclosure can receive up to 20 points in this category.

Of the 238 programs we examined, 21 (in 12 states) post aggregate statistics on enforcement activity.

Table: Programs with Published Aggregate Enforcement Statistics

State	*Program*
CA	Employment Training Panel
IA	Enterprise Zone (Business Only)
IA	High Quality Job Creation Program
IL	Economic Development for a Growing Economy (EDGE) Tax Credit
IL	Enterprise Zone Program
IL	Large Business Development Assistance Program
MD	Maryland Economic Development Assistance Authority Fund, MEDAAF 1 & 2, Significant Strategic Economic Development Opportunities & Local Economic Development Opportunities
MD	Sunny Day Fund
MI	Film Tax Credits
NC	Job Development Investment Grants (JDIG)
NC	One North Carolina Fund
NE	Employment and Investment Growth Act
NE	Nebraska Advantage
OH	Job Creation Tax Credit
TX	Texas Economic Development Act (Ch. 313)
TX	Texas Enterprise Fund (TEF)
VA	Governor's Opportunity Fund (GOF)
VT	Economic Advancement Tax Incentives (EATI)
VT	Vermont Employment Growth Incentive (VEGI)
VT	VT Economic Development Authority loans
WY	Workforce Development Training Fund

Thirty-eight programs in 18 states post names of recipients found to be not in compliance.

Table: Programs with Published Names of Noncompliant Recipients

State	*Program*
CA	Employment Training Panel
CO	Job Growth Incentive Tax Credit
CO	Strategic Fund
CT	Jobs Creation Tax Credit (aka New Jobs Creation Tax Credit)
CT	Manufacturing Assistance Act
CT	Urban and Industrial Site Reinvestment Tax Credit
IA	Enterprise Zone (Business Only)
IA	High Quality Job Creation Program
IL	Economic Development for a Growing Economy (EDGE) Tax Credit
IL	Enterprise Zone Program
IL	IDOT Economic Development Program
IL	Large Business Development Assistance Program
IN	Economic Development for a Growing Economy (EDGE) Tax Credits
IN	Hoosier Business Investment Tax Credit (HBITC)
IN	Skills Enhancement Fund (SEF)
MA	Life Sciences Investment Tax Credit
MD	Maryland Economic Development Assistance Authority Fund, MEDAAF 1 & 2, Significant Strategic Economic Development Opportunities & Local Economic Development Opportunities
MD	Sunny Day Fund
MI	Film Tax Credits

State	*Program*
MI	Michigan Economic Growth Authority (MEGA) Tax Credits
MN	Job Opportunity Building Zones (JOBZ)
MN	Job Skills Partnership Program
MO	Quality Jobs Program
NC	Job Development Investment Grants (JDIG)
NC	One North Carolina Fund
NY	Empire Zone Program
OH	Community Reinvestment Area (CRA) Program
OH	Job Creation Tax Credit
TX	Texas Economic Development Act (Ch. 313)
VA	Governor's Opportunity Fund (GOF)
VA	Virginia Investment Partnership (VIP) & Major Eligible Employer Grant (MEE)
VT	Economic Advancement Tax Incentives (EATI)
VT	Vermont Employment Growth Incentive (VEGI)
VT	Vermont Training Program
WI	Customized Labor Training Fund
WI	Economic Development Tax Credit Program
WI	Major Economic Development Program (MED)
WI	Transportation Economic Assistance Program (TEA)

Only 14 programs in eight states post lists of which recipients have been penalized.

Table: Programs with Published Lists of Penalized Noncompliant Recipients

State	*Program*
IA	Enterprise Zone (Business Only)
IA	High Quality Job Creation Program
MD	Maryland Economic Development Assistance Authority Fund, MEDAAF 1 & 2, Significant Strategic Economic Development Opportunities & Local Economic Development Opportunities
MD	Sunny Day Fund
MI	Film Tax Credits
NC	Job Development Investment Grants (JDIG)
NC	One North Carolina Fund
OH	Job Creation Tax Credit
TX	Texas Economic Development Act (Ch. 313)
TX	Texas Enterprise Fund (TEF)
VA	Governor's Opportunity Fund (GOF)
VA	Virginia Investment Partnership (VIP) & Major Eligible Employer Grant (MEE)
VT	Economic Advancement Tax Incentives (EATI)
VT	Vermont Employment Growth Incentive (VEGI)

See Appendix 5 for a list of the web addresses for these disclosure sites.

Chapter 3: Conclusion and Recommendations

Our findings on the enforcement of performance requirements and job-quality standards suggest conclusions similar to those in our *Money for Something* report. On the one hand, we have come a long way from the days when states handed over large sums to companies and did nothing to ensure that they generated economic benefits for taxpayers. Both the imposition of requirements and the enforcement of those requirements are now common practice around the country.

On the other hand, many of the rules attached to subsidies are porous, and the enforcement practices of many states are discretionary and subjective. It is troubling that 23 programs still have no performance reporting requirements; 67 programs do not verify recipient claims; 19 programs have no penalties for non-compliers (and are not performance-based); many of those with penalty provisions weaken them by limiting their application; and only a small share of programs disclose data on their enforcement activities. Practices vary widely not just among states but even *within* them.

There has been long-term progress, but many states still have a great deal of work to do to ensure that their subsidy spending truly pays off for workers, communities and taxpayers.

To assist in that process, here are our policy recommendations with regard to enforcement:

- All recipients in all programs should be required to report to agencies on job creation, wages, benefits and other performance benchmarks. Recipient reporting data should be disclosed online at least annually as part of a state's disclosure system.

- All reported information should be verified by agencies using techniques such as program-specific auditing and the cross-checking of company claims against a separate reliable source such as unemployment insurance records.

- Agencies should penalize recipients found to be out of compliance, employing techniques such as recapture (clawbacks), recalibration of future benefits and rescission/termination of subsidy agreements. Programs that are performance-based should operate without penalties only if recipients are required to fulfill all programs requirements before receiving any subsidies.

- Penalty systems should be straightforward and consistent and not weakened by various exceptions or by giving agency officials discretion on whether to implement them.

- Agencies should publish detailed data on their enforcement activities, including the names of the recipients found to be non-compliant and those penalized (including the penalty amounts).

As we indicated in *Money for Something* with regard to performance requirements, the fact that a state adopts strong enforcement procedures does not guarantee that any given subsidy program or deal is a good use of taxpayer funds. Some programs may simply offer too much assistance to companies, so that benefits will never outweigh costs. Others may have become so deregulated that they are windfalls rather than incentives. For such programs, abolition rather than accountability is the correct policy, especially in times of severe budgetary stress. Yet as long as a program is in operation, taxpayers have a right to demand both strong performance requirements (including job creation and job quality standards) and aggressive enforcement of those requirements. When a company is given subsidies without strings, that is a handout rather than economic development.

Endnotes

[1] Quoted in James Romoser, "With Dell Done, What Does N.C. Get Back?" *Winston-Salem Journal*, October 10, 2009 (via Nexis).

[2] James Romoser, "Dell Balks at Tax Credits," *Winston-Salem Journal*, December 5, 2009 (via Nexis).

[3] Todd Wallack, "Evergreen Will Repay $3M of its State Aid," *Boston Globe*, January 19, 2011 (via Nexis).

[4] Jake Miller, "Tax Credits, Wisconsin's Main Incentive, Fail to Pay Off A Third of the Time," *Wausau Daily Herald*, November 13, 2011 (via Nexis).

[5] Lee Rood, "Iowa Firms Default on Job-Creation Pledge After Receiving Tax Credits," *Des Moines Register*, November 15, 2011 (via Nexis).

[6] Bob Segall, "Reality Check: Where Are the Jobs?" WTHR-TV at http://www.wthr.com/category/189918/reality-check-where-are-the-jobs

[7] David Shaffer and Glenn Howatt, "Where Are the Jobs?" Minneapolis Star Tribune, March 30, 2011; online at http://www.startribune.com/investigators/118656869.html

[8] Aaron Deslatte, "Firms Got $38M, Gave Us No Jobs," *Orlando Sentinel*, October 22, 2011 (via Nexis).

[9] Kenneth P. Thomas, *Investment Incentives and the Global Competition for Capital*. New York: Palgrave Macmillan, 2011, p.96.

[10] The Kansas Economic Opportunity Fund, which we included in *Money for Something*, expired since that report was published a few weeks ago, but we keep it in our sample in order to make the results of the two studies more consistent.

[11] See for example: Kary Moss, Esq., "The Privatizing of Public Wealth," *Fordham Urban Law Journal*, Vol. XXIII, No. 1, 1995.

[12] Greg LeRoy, *No More Candy Store: States and Cities Making Job Subsidies Accountable* (1997 printing) at http://www.goodjobsfirst.org/sites/default/files/docs/pdf/nmcs.pdf

[13] Rachel Weber and David Santacroce, *The Ideal Deal: How Local Governments Can Get More for Their Economic Development Dollar*, (Good Jobs First, March 2007) at http://www.goodjobsfirst.org/pdf/idealdeal.pdf.

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FRESC (Colorado)
Illinois PIRG
Institute on Wisconsin's Future
Iowa Policy Project
Maine Center for Economic Policy
Maryland Budget and Tax Policy Institute
MASSPIRG (Massachusetts)
Michigan League for Human Services
Mississippi Economic Policy Center
Mountain Association for Community Economic Development (Kentucky)
ND People (North Dakota)
New Jersey Policy Perspective
New Mexico Voices for Children
North Carolina Justice Center
North Dakota Economic Policy Project
Policy Matters Ohio
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Appendix 1: Sample Scoring Rubric

Money-Back Guarantees for Taxpayers **Scoring Details for a State's Programs**		*Maximum possible score for category*
Reporting	Has a requirement that recipients report to agency on performance outcomes (20 pts)	*20*
Verification	Agency awarding subsidy verifies performance outcomes reported by recipient (20 pts)	*20*
Type of Penalties	Penalty takes the form of recapture (10 pts)	*10*
	Penalty takes the form of rescission or program is performance based (5 pts)	*5*
	Penalty takes the form of recalibration (5 pts)	*5*
Scope of Penalties	Mandatory penalties for failure to meet performance requirements with no exceptions* (20 pts) Mandatory penalties for failure to meet performance requirements with some exceptions (15 pts) Discretionary penalties for failure to meet performance requirements (10 pts)	*20*
Online Disclosure of Enforcement Practices	Online publication of statistics on use of penalties (10 pts)	*10*
	Online publication of names of companies found to be non-compliant (5 pts)	*5*
	Online publication of names of companies penalized and dollar amounts (5 pts)	*5*
Total unweighted score		*100*
TOTAL SCORE adjusted to reflect the program's performance standards score in *Money for Something*		***100***

*Programs deemed performance-based automatically receive points in this category.

Appendix 2: State Subsidy Program Costs and Scores
(before and after weighting adjustments)

State	Program	Annual cost (most recent year available)	Score Based Solely on Enforcement Practices	**Score After Adjustment for Performance Standards**
Alabama	Alabama Industrial Development Training	$3,457,995	35	**43**
	Enterprise Zone Credit	not available	45	**42**
	Film Production Rebates	$10,000,000	65	**38**
	Income Tax Capital Credit	$49,685,106	75	**68**
	Industrial Development Grant Program	$1,700,000	45	**28**
Alaska	Alaska's Clear and Equitable Share/ Oil and Gas Production Tax Credits	$550,000,000	65	**38**
	Commercial Fishing Revolving Loan Program	$4,120,000	0	**0**
	Development Finance Program	$364,000,000	0	**0**
	Film Industry Tax Credit	$3,654,000	65	**38**
Arizona	Arizona Job Training Program	$15,000,000	80	**59**
	Quality Jobs Tax Credit Program	$30,000,000	70	**80**
	Research and Development Income Tax Credit	$47,998,117	65	**38**
Arkansas	Arkansas Advantage Income Tax Credit	$1,786,161	65	**57**
	Business and Industry Training Program	not available	0	**5**
	InvestArk Sales and Use Tax Credits	$21,631,239	70	**59**
	Targeted Business Incentives	not available	70	**61**
	TaxBack Sales and Use Tax Refund	$5,781,280	70	**59**
California	Employment Training Panel	$36,400,000	80	**69**
	Enterprise Zone Program	$670,000,000	40	**28**
	Film and TV Production Tax Credit	$100,000,000	65	**38**
	Research and Development Tax Credit	$1,265,000,000	65	**38**

State	*Program*	*Annual cost (most recent year available)*	*Score Based Solely on Enforcement Practices*	***Score After Adjustment for Performance Standards***
Colorado	Colorado FIRST/Existing Industry Training Program	$2,700,000	65	**52**
	Enterprise Zone Program	$62,700,000	65	**52**
	Job Growth Incentive Tax Credit	$4,041,960	75	**71**
	Strategic Fund	$3,070,000	70	**65**
Connecticut	Enterprise Zone and Urban Jobs Tax Credits	$4,200,000	45	**42**
	Film Tax Credits (Industry, Infrastructure, Digital Animation)	$41,000,000	70	**43**
	Jobs Creation Tax Credit (aka New Jobs Creation Tax Credit)	$10,000,000	75	**55**
	Manufacturing Assistance Act	$20,272,000	75	**50**
	Urban and Industrial Site Reinvestment Tax Credit	$40,400,000	80	**58**
Delaware	Bank Franchise Tax Credits	not available	45	**50**
	Blue Collar Jobs Tax Credits	$3,250,000	70	**53**
	Blue Collar Training Grant Program	$1,500,000	55	**44**
	Delaware Strategic Fund	$30,400,000	60	**60**
District of Columbia	Discretionary Property Tax Breaks	$15,255,151	0	**0**
	Discretionary Sales and Use Tax Exemptions and Abatements	not available	0	**0**
	New E-Conomy Transformation Act of 2000 (NET 2000)	$5,900,000	20	**19**
	Payments-In-Lieu-Of-Taxes (PILOTs)	$11,351,564	0	**0**
	Tax Increment Financing (TIF)	$24,328,106	0	**0**
Florida	Capital Investment Tax Credit	$10,000,000	65	**68**
	Economic Development Transportation Fund	$11,041,927	40	**33**
	Enterprise Zone Program	$87,577,658	45	**54**
	Qualified Target Industry Tax Refund	$13,637,769	55	**61**
	Quick Action Closing Fund	$31,500,000	60	**63**

State	Program	Annual cost (most recent year available)	Score Based Solely on Enforcement Practices	Score After Adjustment for Performance Standards
Georgia	Investment Tax Credit	$3,000,000	25	**18**
	Job Tax Credit	$9,000,000	45	**58**
	Mega Project Tax Credit	not available	70	**72**
	OneGeorgia EDGE (Economic Development, Growth and Expansion) Fund Program	$29,188,513	70	**48**
	Quality Jobs Tax Credit	$21,000,000	45	**61**
Hawaii	Capital Goods Excise Tax Credit	$14,700,000	50	**35**
	Employment and Training Fund Statewide Training Grants	$1,024,065	65	**40**
	Enterprise Zones	$1,600,000	45	**42**
	Film & Digital Media Income Tax Credit (Act 88)	$129,000,000	65	**38**
	High-Technology Tax Credits (Act 221/ACT 215)	$121,200,000	50	**30**
Idaho	3% Investment Income Tax Credit	$33,292,000	75	**43**
	New Jobs Income Tax Credit	$1,500,000	65	**63**
	Production Equipment and Supplies Sales Tax Exemption	$130,445,000	45	**28**
	Research and Development Activity Income Tax Credit	$289,000	55	**33**
	Workforce Development Training Fund Program	$3,300,000	45	**42**
Illinois	Economic Development for a Growing Economy (EDGE) Tax Credit	$35,757,000	85	**60**
	Enterprise Zone Program	$93,906,000	80	**58**
	Film Production Services Tax Credit	$11,125,000	70	**43**
	IDOT Economic Development Program	$7,349,858	55	**40**
	Large Business Development Assistance Program	$600,000	85	**60**
Indiana	Economic Development for a Growing Economy (EDGE) Tax Credits	$62,000,000	85	**81**
	Enterprise Zone Program	$39,000,000	35	**28**
	Hoosier Business Investment Tax Credit (HBITC)	$107,000,000	75	**65**

State	*Program*	*Annual cost (most recent year available)*	*Score Based Solely on Enforcement Practices*	***Score After Adjustment for Performance Standards***
Indiana	Skills Enhancement Fund (SEF)	$1,000,000	75	**48**
	Twenty-First Century Research and Technology Fund (21 Fund)	$12,650,000	35	**23**
Iowa	Enterprise Zone (Business Only)	$21,019,350	90	**90**
	High Quality Job Creation Program	$20,759,334	85	**96**
	Industrial New Jobs Training Program (260E)	$22,517,459	70	**72**
	Research Activities Credit (RAC)	$45,226,114	25	**18**
Kansas	Business Machinery and Equipment Credit	$36,892,337	65	**38**
	High Performance Incentive Program (HPIP)	$54,928,738	65	**57**
	Investments in Major Projects and Comprehensive Training Program (IMPACT)	$15,325,018	65	**63**
	Kansas Economic Opportunity Initiatives Fund	$5,650,000	70	**53**
	Promoting Employment Across Kansas (PEAK) Program	$4,800,000	75	**89**
Kentucky	Bluegrass State Skills Corporation	$8,000,000	70	**63**
	Coal Used in the Manufacture of Electricity	$89,300,000	25	**18**
	Kentucky Business Investment (KBI) Program	$37,400,000	60	**77**
	Kentucky Enterprise Initiative Act	$21,500,000	65	**38**
	Machinery for New and Expanded Industry and Certain Industrial Machinery	$75,600,000	45	**28**
Louisiana	Enterprise Zones	$109,564,764	75	**57**
	Industrial Tax Exemption Program	$745,309,000	35	**28**
	Motion Picture Investor Tax Credit	$164,215,821	65	**39**
	Purchases of Manufacturing Machinery and Equipment Exemption	$18,019,401	25	**18**
	Quality Jobs Program	$87,853,790	80	**87**
Maine	Business Equipment Tax Reimbursement Program	$19,431,982	0	**0**
	Employment TIF	$7,156,182	65	**75**

State	*Program*	*Annual cost (most recent year available)*	*Score Based Solely on Enforcement Practices*	***Score After Adjustment for Performance Standards***
Maine	Pine Tree Development Zones	$692,143	35	**55**
	Research Expense Tax Credits and Super R&D Tax Credit	$3,064,263	45	**28**
Maryland	Enterprise Zone - Real Property Tax Credits	$38,060,000	35	**25**
	Job Creation Tax Credit	$22,500,000	70	**65**
	Maryland Economic Development Assistance Authority Fund, MEDAAF 1 & 2, Significant	$7,237,000	100	**98**
	One Maryland Tax Credit	$4,800,000	50	**63**
	Sunny Day Fund	$4,000,000	100	**98**
Massachusetts	Economic Development Incentive Program	$19,600,000	65	**50**
	Film Tax Credit	$10,100,000	65	**38**
	Investment Tax Credit (Manufacturing)	$44,500,000	70	**40**
	Life Sciences Investment Tax Credit	$25,000,000	70	**53**
	Research Tax Credit	$80,300,000	65	**38**
Michigan	Brownfield Redevelopment Credits (aka Brownfield Zone Credits)	$76,800,000	80	**45**
	Film Tax Credits	$75,000,000	90	**52**
	Michigan Economic Growth Authority (MEGA) Tax Credits	$109,400,000	85	**74**
	Michigan's Advanced Battery Credits (MABC)	$40,000,000	60	**48**
	Renaissance Zone Program	$22,300,000	50	**43**
Minnesota	Business Development Public Infrastructure Grant Program	$11,000,000	50	**55**
	Job Opportunity Building Zones (JOBZ)	$34,358,000	75	**63**
	Job Skills Partnership Program	$9,700,000	75	**47**
	Minnesota Investment Fund	$6,400,000	75	**64**
	Research and Development Tax Credits	$21,500,000	25	**18**
Mississippi	Advantage Jobs Incentive Program	$11,000,000	45	**63**

State	*Program*	*Annual cost (most recent year available)*	*Score Based Solely on Enforcement Practices*	***Score After Adjustment for Performance Standards***
Mississippi	Jobs Tax Credit	$5,000,000	45	**40**
	Major Economic Impact Act	not available	70	**70**
	Manufacturing Investment Tax Credit	$10,000,000	50	**30**
	Rural Economic Development (RED) Credits	$13,500,000	45	**40**
Missouri	Business Use Incentives for Large-scale Development (BUILD)	$7,074,994	70	**70**
	Film Production Tax Credit	$4,886,079	65	**38**
	New Jobs Training	$4,175,591	75	**74**
	Quality Jobs Program	$53,137,000	80	**85**
	Rebuilding Communities	$1,548,622	40	**32**
Montana	Big Sky Economic Development Trust Fund	$1,381,950	65	**63**
	Oil and Natural Gas Production Tax Exemptions	$139,586,214	0	**0**
	Primary Sector Workforce Training Grant	$2,828,912	65	**59**
	Qualified Research Credit	$102,037	45	**28**
Nebraska	Customized Job Training	$25,000,000	65	**84**
	Employment and Investment Growth Act	$75,083,363	75	**50**
	Manufacturing Machinery and Equipment Exemption	$17,000,000	30	**20**
	Nebraska Advantage	$53,910,691	80	**67**
Nevada	Modified Business Tax Abatement	not available	70	**82**
	Personal Property Tax Abatement	not available	70	**80**
	Sales and Use Tax Abatement	not available	60	**75**
	Train Employees Now	$523,000	60	**57**
New Hampshire	Community Development Investment Program (Investment Tax Credit)	$3,000,000	60	**65**
	Economic Revitalization Zone Tax Credits	$37,000	45	**48**

State	*Program*	*Annual cost (most recent year available)*	*Score Based Solely on Enforcement Practices*	***Score After Adjustment for Performance Standards***
New Hampshire	Job Training Fund	$465,531	65	**39**
	Research and Development Credit	$926,000	45	**28**
New Jersey	Business Employment Incentive Program (BEIP)	$106,000,000	75	**69**
	Business Retention and Relocation Assistance Grant (BRRAG)	$2,700,000	80	**58**
	Economic Redevelopment and Growth (ERG) Grant Program	$328,700,000	45	**42**
	Research and Development Tax Credits	$65,600,000	70	**50**
	Urban Enterprise Zone Program	$132,600,000	60	**44**
New Mexico	Film Tax Credit	$65,900,000	65	**39**
	High Wage Jobs Tax Credit	$4,600,000	40	**40**
	Industrial Revenue Bonds	not available	40	**48**
	Manufacturer's Investment Tax Credit	$7,000,000	65	**45**
	Tax Increment Development Districts	not available	0	**0**
New York	Brownfield Cleanup Program	$354,000,000	50	**30**
	Empire State Film Production Credit	$276,000,000	65	**38**
	Empire Zone Program	$423,000,000	40	**34**
	Excelsior Jobs Program	$30,000,000	45	**35**
	Industrial Development Agencies	$496,000,000	45	**35**
North Carolina	Credit for qualifying expenses of a production company	$7,153,242	65	**38**
	Job Development Investment Grants (JDIG)	$15,000,000	100	**95**
	One North Carolina Fund	$4,240,441	95	**98**
	Tax Credits for New and Expanding Businesses (Article 3J Credits)	$14,260,364	50	**70**
	William S. Lee Quality Jobs and Business Expansion Act (Article 3A)	$56,845,597	50	**77**
North Dakota	Development Fund – PACE loans and Regional Rural Revolving Loan Fund	$3,394,079	65	**45**

State	*Program*	*Annual cost (most recent year available)*	*Score Based Solely on Enforcement Practices*	***Score After Adjustment for Performance Standards***
North Dakota	Income Tax Exemption for New or Expanding Businesses	$2,000,000	15	**8**
	New Jobs Training	$2,600,000	75	**63**
	Renaissance Zones	$21,200,000	20	**15**
	Wage and Salary Credit	not available	25	**18**
Ohio	Community Reinvestment Area (CRA) Program	not available	50	**30**
	Job Creation Tax Credit	$56,800,000	90	**75**
	Job Retention Tax Credit	$21,500,000	70	**53**
	Ohio Workforce Guarantee	$11,600,000	65	**50**
	Rapid Outreach Program	$9,000,000	60	**38**
Oklahoma	21st Century Quality Jobs	not available	65	**87**
	Investment/New Jobs Tax Credit	$118,700,000	65	**45**
	Opportunity Fund	$102,779	70	**58**
	Quality Jobs	$61,763,332	65	**80**
	Training for Industry	$5,500,000	45	**50**
Oregon	Employer Workforce Training Fund/Governor's Strategic Training Fund	not available	75	**48**
	Oregon Production Investment Fund	$2,900,000	65	**38**
	Research Tax Credit	$6,950,000	65	**38**
	Strategic Investment Program	$95,600,000	65	**39**
Pennsylvania	Film Production Tax Credit	$75,000,000	60	**35**
	Job Creation Tax Credit	$22,500,000	65	**63**
	Keystone Opportunity Zone (KOZ) Program	$18,700,000	45	**23**
	Opportunity Grant Program	$25,000,000	65	**58**
	Research and Development Tax Credit	$40,000,000	60	**35**

State	*Program*	*Annual cost (most recent year available)*	*Score Based Solely on Enforcement Practices*	***Score After Adjustment for Performance Standards***
Rhode Island	Corporate Income Tax Rate Reduction for Job Creation	$14,077,580	45	**77**
	Enterprise Zone Tax Credits	$875,575	55	**72**
	Job Training Tax Credit	$2,000,000	50	**43**
	Manufacturing and High Performance Manufacturing Investment Tax Credits	$17,000,000	55	**52**
	Motion Picture Production Tax Credit	$2,359,672	70	**40**
South Carolina	Investment Credit	$24,357,670	50	**35**
	Job Development Credits	$70,317,520	50	**75**
	Job Tax Credit	$51,248,095	45	**40**
	readySC	$13,000,000	0	**30**
	Research & Development Credit	$16,098,321	45	**28**
South Dakota	Pooled Bond Program	$7,605,000	0	**0**
	Revolving Economic Development and Initiative (REDI) Fund	$16,154,104	60	**50**
	South Dakota Agricultural Processing and Export Loan Program (APEX)	$653,787	40	**28**
	Workforce Development Program	$1,999,455	60	**58**
Tennessee	FastTrack Job Training Assistance	$6,000,000	40	**38**
	Headquarters Tax Credit	not available	50	**63**
	Jobs Tax Credit	$25,200,000	15	**25**
	Sales and Use Tax Credit for Qualified Facility to Support an Emerging Industry	not available	55	**66**
	Tennessee Job Skills	$5,285,200	40	**45**
Texas	Texas Economic Development Act (Ch. 313)	$164,500,000	65	**83**
	Texas Emerging Technology Fund (ETF)	$61,538,000	45	**33**
	Texas Enterprise Fund (TEF)	$30,295,000	85	**60**
	Texas Moving Image Industry Incentive Program	$5,708,793	70	**42**

State	Program	Annual cost (most recent year available)	Score Based Solely on Enforcement Practices	**Score After Adjustment for Performance Standards**
Utah	Economic Development Tax Increment Financing	$4,500,000	65	**63**
	Industrial Assistance Fund	$7,700,000	60	**60**
	Industrial Assistance Fund (Economic Opportunity)	$125,000	65	**33**
	Motion Picture Incentive Fund (MPIF) & Other Film Incentives	$4,000,000	70	**40**
	Targeted Business Tax Credits	$300,000	70	**49**
Vermont	Economic Advancement Tax Incentives (EATI)	$592,391	85	**93**
	Vermont Employment Growth Incentive (VEGI)	$15,864,572	100	**102**
	Vermont Training Program	$1,176,852	80	**85**
	VT Economic Development Authority loans	$19,482,899	60	**57**
	Workforce Education and Training Fund	$1,029,085	80	**60**
Virginia	Enterprise Zone Real Property Investment Grant	$9,498,370	70	**40**
	Governor's Opportunity Fund (GOF)	$11,194,000	90	**89**
	Major Business Facility Job Tax Credit	$3,174,753	55	**45**
	Virginia Economic Development Incentive Grant (VEDIG)	$10,000,000	75	**85**
	Virginia Investment Partnership (VIP) & Major Eligible Employer Grant (MEE)	$3,250,000	90	**88**
Washington	Aircraft Pre-production Expenditures B&O Tax Credit	$6,200,000	45	**28**
	High Technology B&O Tax Credit for R&D Spending	$31,500,000	45	**28**
	High Technology Sales and Use Tax Deferral/Waiver	$74,300,000	65	**38**
	New Jobs in Rural Counties and CEZ Tax Credit	$3,000,000	70	**56**
West Virginia	Economic Opportunity Tax Credit	$2,600,000	50	**75**
	Film Industry Investment Act	$2,600,000	70	**44**
	Governor’s Guaranteed Work Force Program	$3,670,000	65	**47**
	Manufacturing Investment Tax Credit	$2,400,000	50	**35**

State	*Program*	*Annual cost (most recent year available)*	*Score Based Solely on Enforcement Practices*	***Score After Adjustment for Performance Standards***
West Virginia	Strategic R&D Tax Credit	$1,700,000	50	**35**
Wisconsin	Customized Labor Training Fund	$788,196	60	**69**
	Economic Development Tax Credit Program	$31,761,834	60	**75**
	Film Tax Credit Program (Film Production Services & Production Company Investment	$500,000	60	**42**
	Major Economic Development Program (MED)	$6,000,000	80	**58**
	Transportation Economic Assistance Program (TEA)	$4,000,000	75	**55**
Wyoming	Data Processing Center – Sales/Use Tax Exemption	not available	65	**38**
	Film Industry Financial Incentive	$206,854	65	**38**
	Sales and Use Tax Exemption for Purchases of Manufacturing Equipment (HB 44)	not available	30	**20**
	Workforce Development Training Fund	$2,381,807	80	**45**

Appendix 3: State Average Scores (before and after weighting adjustments)

State	Average Based Solely on Enforcement Practices	Average After Adjustment for Performance Standards
Alabama	53	44
Alaska	33	19
Arizona	72	59
Arkansas	55	48
California	63	43
Colorado	69	60
Connecticut	69	50
Delaware	58	52
District of Columbia	4	4
Florida	53	56
Georgia	51	51
Hawaii	55	37
Idaho	57	42
Illinois	75	52
Indiana	61	49
Iowa	68	69
Kansas	68	60
Kentucky	53	45
Louisiana	56	46
Maine	36	40
Maryland	71	70
Massachusetts	67	44
Michigan	73	52
Minnesota	60	49
Mississippi	51	49
Missouri	66	60
Montana	44	38
Nebraska	63	56
Nevada	65	74
New Hampshire	54	45
New Jersey	66	53
New Mexico	42	35
New York	49	35
North Carolina	72	76
North Dakota	40	30
Ohio	67	49
Oklahoma	62	64
Oregon	68	41
Pennsylvania	59	43
Rhode Island	55	57
South Carolina	38	42
South Dakota	40	34
Tennessee	40	47
Texas	66	54
Utah	66	49
Vermont	81	79
Virginia	76	69
Washington	56	37
West Virginia	57	47
Wisconsin	67	60
Wyoming	60	35

Appendix 4: Program Penalty Provisions

State	*Program*	*Penalty Provisions*
Alabama	Alabama Industrial Development Training	Discretionary penalties allow for termination of the contract in the case of companies that do not comply with the job creation requirement.
	Enterprise Zone Credit	Because subsidies are not awarded until after jobs have been created, there are no penalty provisions.
	Film Production Rebates	If a production company does not achieve the required minimum expenditures, the subsidy is not available. However, the Alabama Film Office can make an exception for expenditures close to the required minimum. If expenditures are less than predicted but more than the required minimum, the subsidy is recalibrated. The subsidy can be terminated or suspended if a biannual review shows that there is not progress toward completion of the project.
	Income Tax Capital Credit	If a company does not meet job creation, wage and investment requirements by the end of the first year of a project's operation, it loses eligibility for the subsidy; after that recapture is allowed for certain noncompliant companies. During the life of a credit (20 years), a company can fall below minimum job and wage requirements for up to 3 years; after that it is removed from the program.
	Industrial Development Grant Program	The program does not provide any financial assistance until after a development project is completed.
Alaska	Alaska's Clear and Equitable Share/ Oil and Gas Production Tax Credits	No tax credits are awarded until after the recipient meets program requirements.
	Commercial Fishing Revolving Loan Program	None.
	Development Finance Program	None.
	Film Industry Tax Credit	No tax credits are awarded until after a producer submits an application detailing the qualified expenditures made.
Arizona	Arizona Job Training Program	If contracted employers do not meet all contract terms and conditions, the state will reduce, cancel, or require repayment of the subsidies.
	Quality Jobs Tax Credit Program	This new program requires that no dollars will be awarded prior to performance, and clawback provisions and independent audits will ensure that companies meet all promised obligations.
	Research and Development Income Tax Credit	None.
Arkansas	Arkansas Advantage Income Tax Credit	Recipients that fail to meet the program's payroll threshold within two years of signing a financial incentive agreement must repay all funds, plus interest. However, the Department of Finance Administration is flexible in allowing extensions and may grant exceptions from penalties based on economic conditions or other factors.
	Business and Industry Training Program	None.
	InvestArk Sales and Use Tax Credits	The Department of Finance Administration recaptures any tax credits (plus interest) granted to companies that fail to meet the investment requirement (at least $5 million within four years).
	Targeted Business Incentives	Failure to meet payroll or expenditure requirements results in the recapture of subsidies received.

State	*Program*	*Penalty Provisions*
Arkansas	TaxBack Sales and Use Tax Refund	There is a process for initiating clawbacks against companies that receive subsidies under the program but fail to meet the investment threshold ($100,000 within four years). However, according to the Department of Finance, the investment threshold is so low that no company has failed to meet it, meaning that clawbacks have never been used.
California	Employment Training Panel	Contracted companies that move a facility out of state or close a facility up to three years after the end of the subsidy contract may be required to return training funds at the discretion of the state. Some companies may be exempted from repayment for providing job placement assistance and providing transitional health care benefits.
	Enterprise Zone Program	None.
	Film and TV Production Tax Credit	None.
	Research and Development Tax Credit	None.
Colorado	Colorado FIRST/Existing Industry Training Program	None.
	Enterprise Zone Program	The state requires employment growth from EZ businesses to claim credits. If companies cannot demonstrate growth, credits are canceled for that year.
	Job Growth Incentive Tax Credit	Tax credit agreements will be cancelled and companies are required to repay the value of the credits if jobs are not maintained for one year or job quality standards are not maintained. Exceptions are made for unforeseen business circumstances.
	Strategic Fund	Subsidy agreements may be cancelled or the state may recapture funds at its discretion from companies that fail to meet performance benchmarks for job creation and investment targets or maintain job quality standards. Exceptions may be made for unforeseen business circumstances.
Connecticut	Enterprise Zone and Urban Jobs Tax Credits	Penalties tied to job creation targets and employment levels that must be maintained over time; rescission occurs if targets go unmet.
	Film Tax Credits (Industry, Infrastructure, Digital Animation)	Recipients must be pre-approved with a proposed budget before eligible activities begin; once production is finished, recipient must undergo an audit. If the recipient's audit shows that qualified spending was less than what was proposed or did not qualify, penalties can include subsidy recalibration or rescission.
	Jobs Creation Tax Credit (aka New Jobs Creation Tax Credit)	Recapture occurs if recipient fails to maintain the number of jobs claimed in the first year during a five-year period.
	Manufacturing Assistance Act	Most deals are structured as forgivable loans. Recapture, recalibration, or rescission can occur depending on whether a recipient fails to meet or maintain contract terms such as job targets, fails keep the facility open or leaves the state. Penalties are discretionary, can be deferred, and vary depending on the likelihood of success.

State	*Program*	*Penalty Provisions*
Connecticut	Urban and Industrial Site Reinvestment Tax Credit	Penalties include recapture, recalibration, and rescission tied to failing to maintain or create jobs, meet investment targets, or maintain operations in the state. Recalibrations are tied to job shortfalls. If the company leaves the state, the law requires DECD to charge a minimum 5% penalty in addition to recaptures; however, the state frequently charges 7.5%. The state may renegotiate contracts and exempt recipients from meeting some of the performance benchmarks.
Delaware	Bank Franchise Tax Credits	No tax credits are awarded until the recipient establishes that it has complied with job creation and investment requirements.
	Blue Collar Jobs Tax Credits	The subsidy is canceled if the recipient does not meet job creation and investment requirements during the initial 12-month period of the 10-year agreement. If during subsequent years the company no longer meets the job creation requirement, the subsidy is reduced; if the investment is sold or moved out of state, the subsidy agreement is terminated.
	Blue Collar Training Grant Program	Generally, the Department of Workforce Development will award part of the money up front and the rest upon completion of the training. If the company fails to train the agreed upon number of employees, the remainder of the subsidy will be withheld but the agency does not clawback any funds that were already provided. Companies may be exempt from penalties in some circumstances, such as an economic downturn.
	Delaware Strategic Fund	Standards considered in individual agreements include, but are not limited to, job creation, wages and the effect of the project on the tax base. The Delaware Economic Development Authority may determine at its discretion appropriate clawback provisions for each recipient under which the recipient may be required to repay some or all financial assistance granted under the agreement.
District of Columbia	Discretionary Property Tax Breaks	None.
	Discretionary Sales and Use Tax Exemptions and Abatements	None.
	New E-Conomy Transformation Act of 2000 (NET 2000)	None.
	Payments-In-Lieu-Of-Taxes (PILOTs)	None.
	Tax Increment Financing (TIF)	None.
Florida	Capital Investment Tax Credit	If a company does not meet job or investment requirements, it loses eligibility for the credit for that year.
	Economic Development Transportation Fund	Local governments, which receive the grants on behalf of a company, are responsible for monitoring and verification of company performance. Local authorities may or may not incorporate penalties in their specific contracts.
	Enterprise Zone Program	Subsidies based on wages paid to new workers are available only after the jobs are created and maintained for 3 months.
	Qualified Target Industry Tax Refund	If a company does not comply with the job creation requirement over a specified period of time, the subsidy is terminated. A company can apply for an “economic recovery extension” based on a downturn in the economy, a natural disaster, or an act of terror.

State	*Program*	*Penalty Provisions*
Florida	Quick Action Closing Fund	If a company does not meet job creation, wage, and/or investment requirements, it has to repay a portion of the subsidy, plus interest. The repayment amount depends on how far the company is from meeting the requirements. A company can apply for a one-year extension to meet the requirements.
Georgia	Investment Tax Credit	If a company does not meet the investment requirement, it is not eligible for the credit.
	Job Tax Credit	The credit is not available for a year in which the number of jobs at the company falls below the required level.
	Mega Project Tax Credit	When a company fails to maintain required job creation, payroll, or investment levels during the recapture period (5 years after meeting the job creation requirement), it is not eligible for the tax credit and is responsible for 20% of past credits, plus interest. If a company receiving a subsidy derived from its employees' personal income tax payments does not maintain required job creation, payroll, or investment levels during the recapture period, it is responsible for the full amount of past credits. A company can apply for a waiver from these obligations based on force majeure.
	OneGeorgia EDGE (Economic Development, Growth and Expansion) Fund Program	If a company meets, on average, less than 70% of its job creation and investment requirements, then it must repay a prorated portion of the grant received. A company can apply for an extension based on a downturn in the economy or an "act of God."
	Quality Jobs Tax Credit	The subsidy is rescinded for a year in which it fails to maintain the required number of jobs. If a company applies for a higher credit but fails to maintain required wage levels, a smaller credit for any additional jobs created still applies.
Hawaii	Capital Goods Excise Tax Credit	Failure to maintain the property for at least 3 years results in the recapture of some or all of the subsidy.
	Employment and Training Fund Statewide Training Grants	The agency may cancel the contract for nonperformance or unsatisfactory performance by the training provider or employer or for failing to meet expenditure requirements or any other contractual obligations. Action may be initiated for the recoupment of funds. Non-performing companies may be exempt from penalties if they failed to meet performance requirements due to an economic downturn, unforeseen business circumstances or bankruptcy.
	Enterprise Zones	The company cannot claim the benefits of the program for any year that it hasn't met the hiring requirement.
	Film & Digital Media Income Tax Credit (Act 88)	No tax credits are awarded until the recipient establishes that it has complied with expenditure requirements.
	High-Technology Tax Credits (Act 221/ACT 215)	If a recipient company fails to qualify as a qualified high tech business or is sold, or if the taxpayer's investment in the high tech business is wholly or partially withdrawn, the recipient is subject to a recapture equal to 10% of the total tax credit claimed in the preceding 2 years.
Idaho	3% Investment Income Tax Credit	If a taxpayer sells or otherwise disposes of subsidized property before five years have passed, the state may recapture or recalibrate the value of the tax credit based on the amount of time that has passed.
	New Jobs Income Tax Credit	Employers that do not maintain employment levels on which the credit was computed will be subject to recalibration of future credits.

State	*Program*	*Penalty Provisions*
Idaho	Production Equipment and Supplies Sales Tax Exemption	None.
	Research and Development Activity Income Tax Credit	At its discretion, the state may cancel the credits allowed to a company if the recipient has failed to maintain adequate records.
	Workforce Development Training Fund Program	None.
Illinois	Economic Development for a Growing Economy (EDGE) Tax Credit	Penalties include recapture and rescission tied to job targets, continued employment levels, investments, job quality standards laid forth in agreements, and failure to submit compliance reporting. The DCEO Director may grant an exception to penalties under extenuating circumstances.
	Enterprise Zone Program	Recipients may undergo rescission if they fail to continue to meet benchmarks tied to job creation and employment levels.
	Film Production Services Tax Credit	Recipients must be pre-approved with a proposed budget before eligible activities begin; once production is finished, recipient must undergo an audit. If the recipient's audit shows that qualified spending was less than what was proposed or did not qualify, penalties can include subsidy recalibration or rescission.
	IDOT Economic Development Program	The program requires the municipality to sign an agreement with the recipient requiring job creation targets and levels for 5 years. Failure to meet targets can result in a recapture.
	Large Business Development Assistance Program	Recaptures or rescissions occur if recipient fails to meet job creation targets, maintain employment levels, make required capital investments, or meet other standards. The state may also take collateral, like land, buildings, and equipment, if the company fails to meet benchmarks. The DCEO Director may grant an exception from penalties under extenuating circumstances.
Indiana	Economic Development for a Growing Economy (EDGE) Tax Credits	Recaptures, recalibrations, or rescissions occur if recipients fail to meet job targets, maintain employment levels, meet job quality standards or remain in the state.
	Enterprise Zone Program	Local economic development agencies may impose rescissions on a case-by-case basis if a recipient fails to meet job quality requirements. Penalties may be waived at the discretion of IEDC.
	Hoosier Business Investment Tax Credit (HBITC)	Recaptures or rescissions occur if recipient fails to make required capital investments or meet job quality standards. Penalties may be waived at the discretion of IEDC.
	Skills Enhancement Fund (SEF)	Recapture or rescission occur if recipient fails to conduct training or maintain operations. Penalties may be waived at the discretion of IEDC.
	Twenty-First Century Research and Technology Fund (21 Fund)	Rescission occurs at the discretion of the agency depending on whether the business continues to develop or receive follow-on funding.
Iowa	Enterprise Zone (Business Only)	If a company fails to maintain job or investment requirements (or closes any of its facilities or lays off any of its workers in the state), the company has to repay all or a portion of the subsidy; interest or penalties may apply. If a company fails to meet wage and benefit requirements, it does not receive the subsidy that year. If a business is approved for the subsidy, but before receiving it lays off workers or closes any facility in the state, then the subsidy may be reduced or terminated. A company can receive an extension to meet the requirements and can negotiate penalties.

State	*Program*	*Penalty Provisions*
Iowa	High Quality Job Creation Program	If a company fails to meet and maintain job or investment requirements (or lays off workers or closes any of its facilities in the state), the subsidy is not available in the noncompliance year and the company has to repay all or a portion of the subsidy; interests or penalties may also apply. If a business is approved for the subsidy, but before receiving it lays off workers or closes any facility in the state, then the subsidy may be reduced or terminated. A company can receive an extension to meet the requirements and can negotiate penalties.
	Industrial New Jobs Training Program (260E)	If a company fails to meet job creation and wage requirements, it must repay the portion of the subsidy that is not covered by the funds diverted from its new employees' income taxes. If a company goes bankrupt or closes down, a clawback provision applies.
	Research Activities Credit (RAC)	The program does not provide any financial assistance until after a company has made qualified expenditures.
Kansas	Business Machinery and Equipment Credit	No tax credits are provided until the recipient substantiates its purchases of commercial and industry machinery and equipment.
	High Performance Incentive Program (HPIP)	No tax credits are provided until the recipient establishes that it has complied with wage and expenditure requirements.
	Investments in Major Projects and Comprehensive Training Program (IMPACT)	If a company fails to meet the program requirements (usually hiring/training targets), it must repay the corresponding percentage of the subsidy. "Gross funded cost penalties" (essentially the administrative costs of creating and administering the financial incentives) may also be passed along to the offending company, and the Department of Commerce reserves the right to terminate the contract. The Secretary of the Department of Commerce has the final say over penalties and may pardon a company.
	Kansas Economic Opportunity Initiatives Fund	If a company leaves Kansas or goes out of business, it is required to pay back any incentives, plus possible penalties. If a company does not meet original job and wage commitments, it must repay a portion of the incentive.
	Promoting Employment Across Kansas (PEAK) Program	Failure to meet job creation targets and/or wage requirements results in the termination of the agreement and requires the recapture of payroll withholding taxes received under the program. Each agreement has a 30-day grace period for non-compliant companies to get back into compliance.
Kentucky	Bluegrass State Skills Corporation	The amount of the preliminary approved Skills Training Investment Credit is reduced for each job that was not maintained for 90 days after the training. If the level of employment drops below what was initially approved, the Grants-in-Aid are reduced on a pro-rated basis. When a company that receives the subsidy before the end of the training fails to maintain the required number of jobs and train the required number of employees, it has to repay a portion of the subsidy.
	Coal Used in the Manufacture of Electricity	The program does not provide any financial assistance until after a company has made qualified expenditures.

State	*Program*	*Penalty Provisions*
Kentucky	Kentucky Business Investment (KBI) Program	If job creation, investment, wage, and benefit requirements are not met by the "activation date" (no later than 2 years after project approval), the agreement is canceled and the company is no longer eligible for the subsidy. If during the "term of the agreement" a company meets less than 90% of job and wage requirements, the subsidy is reduced by a percentage representing the difference. Termination of a contract is mandatory at the "activation date" but discretionary during the "term of the agreement."
	Kentucky Enterprise Initiative Act	If a company fails to meet the minimum investment requirement, the subsidy is not available in that year.
	Machinery for New and Expanded Industry and Certain Industrial Machinery	The program does not provide any financial assistance until after a company has made qualified expenditures.
Louisiana	Enterprise Zones	If a company fails to meet the job creation requirement within the specified time, the contract is terminated and the company has to repay all credits and refunds received, with penalties and interest. A company can apply for a 2-year extension to comply with the job creation requirement.
	Industrial Tax Exemption Program	If a discretionary "final verification" indicates that a company has not met investment requirements, or that the facility is not used for manufacturing, the Board may conduct a hearing to reconsider, terminate, or modify the contract. A company can apply for an extension of up to 6 months to reach the investment requirements.
	Motion Picture Investor Tax Credit	If a company does not make the minimum amount of qualified expenditures, it cannot apply for and receive the subsidy.
	Purchases of Manufacturing Machinery and Equipment Exemption	The program does not provide any financial assistance until after a company has made qualified expenditures.
	Quality Jobs Program	If a company does not meet job creation and payroll requirements within 3 years, the contract is canceled and any rebates received have to be repaid. If job or payroll levels are not maintained at any other time during the 10-year life of the rebate, the subsidy is suspended for that year. If a company received the subsidy but it is later determined that the company did not qualify for it, future rebates will be reduced by the amount received.
Maine	Business Equipment Tax Reimbursement Program	None
	Employment TIF	If a company does not create 5 jobs within 2 years or falls below that job figure in later years, the subsidy is not allowed. If the State Tax Assessor determines that a company was overpaid, the Department of Revenue can recoup the difference from future subsidy payments to the company. Penalties are discretionary.
	Pine Tree Development Zones	If a company fails to hire at least 1 employee within 2 years, the company does not receive the subsidy.
	Research Expense Tax Credits and Super R&D Tax Credit	No subsidy is awarded to any company that does not meet the minimum expenditure requirements.
Maryland	Enterprise Zone - Real Property Tax Credits	Local economic development agencies may impose rescissions on a case-by-case basis if a recipient fails to meet investment requirements.
	Job Creation Tax Credit	Recapture occurs if recipient fails to maintain 95% of the required number of jobs within a three-year period.

State	*Program*	*Penalty Provisions*
Maryland	Maryland Economic Development Assistance Authority Fund, MEDAAF 1 & 2, Significant Strategic Economic Development Opportunities & Local Economic Development Opportunities	Recapture, recalibration, or rescission occur if recipient fails to meet and maintain employment benchmarks or capital investment requirements. If the subsidy is structured as a loan, the interest rate may increase as a result of failing to meet metrics. Penalties (typically 3%) may also be added to recaptures.
	One Maryland Tax Credit	Rescission or recalibration occurs if job targets or levels go unmet, the recipient leaves the state, or fails to meet job quality standards.
	Sunny Day Fund	Recapture, recalibration, or rescission occur if recipient fails to meet and maintain employment benchmarks, capital investment requirements, or job quality standards.
Massachusetts	Economic Development Incentive Program	At its discretion, the Economic Assistance Coordinating Council may elect to recapture or disallow any credits or tax benefits allowed after independent investigation determines that the business is materially at variance with its project proposal. When the actual number of employees is less than 50% of the projected employment figures, the business is considered materially at variance, and its certification for tax benefits may be revoked.
	Film Tax Credit	None.
	Investment Tax Credit (Manufacturing)	If a company transfers out of state the equipment used to claim the tax credit, the state will recapture the value of the credits.
	Life Sciences Investment Tax Credit	At its discretion, the state may recapture or cancel credits provided to companies that fail to meet 70% of job creation targets in the first year.
	Research Tax Credit	None.
Michigan	Brownfield Redevelopment Credits (aka Brownfield Zone Credits)	Recapture, recalibration, or rescission could occur if capital investment requirements are not met or if cleanup does not occur.
	Film Tax Credits	Recipients must be pre-approved with a proposed budget before eligible activities begin; once production is finished, recipient must undergo an audit. If the recipient's audit shows that qualified spending was less than what was proposed or did not qualify, penalties can include subsidy recalibration or rescission.
	Michigan Economic Growth Authority (MEGA) Tax Credits	Recapture, rescission, or recalibration occur if recipient fails to meet or maintain job targets or leaves the state. Additional penalties of up to 10% may also be imposed.
	Michigan's Advanced Battery Credits (MABC)	Recapture, rescission, or recalibration occur if recipient fails to meet or maintain job targets or make capital investments.
	Renaissance Zone Program	Local development agencies may impose penalties on a discretionary basis, including recapture, recalibration, or rescission for failing to meet or maintain job benchmarks or make capital investments.
Minnesota	Business Development Public Infrastructure Grant Program	Recapture or rescission occur if recipient fails to finish the project within 5 years or make adequate capital investments. Recipients may be exempted due to unforeseen circumstances.
	Job Opportunity Building Zones (JOBZ)	Recapture or rescissions occur if recipient fails to meet or maintain job targets, meet job quality standards, or leaves the zone or the state. Recipients may be exempted due to unforeseen circumstances.

State	*Program*	*Penalty Provisions*
Minnesota	Job Skills Partnership Program	Rescission or recalibration occurs if recipient fails to conduct training as stipulated when approved. Recipient may receive a temporary extension to meet goals.
	Minnesota Investment Fund	Recapture or rescission occurs if recipient fails to meet or maintain job benchmarks over a 2-year period.
	Research and Development Tax Credits	None.
Mississippi	Advantage Jobs Incentive Program	If a company does not comply with job creation, wage or benefit requirements at any time after the first subsidy payment, the subsidy stops until the company meets the requirements again for a full quarter. If a manufacturing company does not create 3,000 jobs in 48 months, the subsidy is terminated and there are no further payments.
	Jobs Tax Credit	If a company does not maintain the required number of jobs for a year, the credit is not available until the company again meets the job creation requirement. If a company was accepted to the program but then laid off workers or closed a facility, the company cannot apply for the credit again for 5 years.
	Major Economic Impact Act	If a company relocates, closes down, or does not fulfill the required obligations, it is required to repay the subsidy.
	Manufacturing Investment Tax Credit	If a company receives a tax credit on property that is sold, disposed of, or converted to a non-business use later that year, it must repay 100% of the credit; if this occurs in the second year, the company must repay 50% of the credit.
	Rural Economic Development (RED) Credits	If employment levels decrease below the required level, the subsidy is recalibrated.
Missouri	Business Use Incentives for Large-scale Development (BUILD)	If a company fails to meet the minimum job, investment, or wage requirements by the 1st "Test Date" (3 years after bond closing), any credits received must be returned, or if used, repaid. If non-compliance occurs after the 1st "Test Date," credits are reduced, suspended or terminated. A company can apply for an extension to meet the requirements due to an economic downturn. Even though the penalties are discretionary, they are frequently used.
	Film Production Tax Credit	If a production company does not make the minimum amount of qualified expenditures, it is not eligible for the credit. However, after the Department of Economic Development determines that fact, the company will be given an opportunity to submit additional documentation to prove the required amount of expenditures.
	New Jobs Training	If a company does not create the required number of jobs within 2 years and maintain them for 5 years, the subsidy may be terminated, reduced, or repaid on a pro-rated basis.
	Quality Jobs Program	If a company does not meet the minimum requirements within 2 years, it is removed from the programs. In later benefit periods, if the company does not meet the job creation, average wage, or benefit requirements, the company is not eligible for the subsidy for that period. However, if a company withheld more tax that it should, those taxes must be repaid with interest and/or penalties. The subsidy may also be recalibrated to reflect any reduction in the number of employees or new payroll. If a "high impact" company does not meet the requirements for a higher subsidy, it can continue as a "small/expanding" project as long as it meets the requirements for this category.

State	*Program*	*Penalty Provisions*
Missouri	Rebuilding Communities	None
Montana	Big Sky Economic Development Trust Fund	Recipients do not receive any subsidies until they meet performance requirements, and if they fail to meet the requirements, their contract is terminated.
	Oil and Natural Gas Production Tax Exemptions	None
	Primary Sector Workforce Training Grant	Penalties are rarely required because the subsidies are reimbursement-based. However, if a company dissolves or goes out of business, the contract may be terminated and any training funds provided may be recaptured. Each case is reviewed individually, and companies may be exempt from penalties under certain circumstances.
	Qualified Research Credit	No tax credits are provided until the recipient substantiates that it has made qualified research expenditures.
Nebraska	Customized Job Training	Subsidies are awarded only after documentation proves that the recipient has complied with performance requirements.
	Employment and Investment Growth Act	Full or partial recapture occurs for recipients that fail to meet or maintain the required job creation or investment levels within the required time period. Exceptions exist for an "act of God" or national emergency.
	Manufacturing Machinery and Equipment Exemption	A penalty occurs when equipment is not primarily used for manufacturing purposes. Program violations result in the recapture of the sales tax exemption plus interest and a 10% penalty.
	Nebraska Advantage	If the recipient fails to meet employment or investment requirements, all or part of the subsidy is recaptured or disallowed. The recapture shall not occur if the failure to maintain the required levels of employment or investment was caused by an "act of God" or national emergency.
Nevada	Modified Business Tax Abatement	The state requires recapture of tax benefits value, plus interest, from businesses that are not maintained "at the approved level" for five years.
	Personal Property Tax Abatement	The state requires recapture of tax benefits value, plus interest, from businesses that are not maintained "at the approved level" for five years.
	Sales and Use Tax Abatement	At its discretion, the state may recapture the value of tax benefits, plus interest, from businesses that are not maintained "at the approved level" for five years.
	Train Employees Now	Companies that do not meet all program criteria set out in their application for five years in the state may be subject to full or partial recapture at the state's discretion.
New Hampshire	Community Development Investment Program (Investment Tax Credit)	Failure to adhere to contractual obligations, including job creation commitments, may result in a penalty requiring the prorated repayment of tax credits granted.
	Economic Revitalization Zone Tax Credits	No subsidies are provided until after the recipient meets investment and job creation requirements.
	Job Training Fund	Companies are not reimbursed for their training costs until after they meet the minimum expenditure requirement. Additionally, the agency withholds 10% of the subsidy until the company completes a final report on the impact of the training, and that 10% is forfeited if the company never completes the final report.

State	*Program*	*Penalty Provisions*
New Hampshire	Research and Development Credit	No tax credits are awarded until a recipient shows that it has made qualified manufacturing research and development expenditures.
New Jersey	Business Employment Incentive Program (BEIP)	The state will recapture funds from recipients that do not maintain jobs for 1.5 times the term of the BEIP agreement or companies that fail to materially meet agreement terms. The state may also cancel or recalibrate awards. Companies have two calendar years to create eligible positions. Companies that go bankrupt are exempt from recapture.
	Business Retention and Relocation Assistance Grant (BRRAG)	Recapture is pursued for companies that move out of state after receiving BRRAG awards, but the state may also cancel or recalibrate subsidy awards.
	Economic Redevelopment and Growth (ERG) Grant Program	None.
	Research and Development Tax Credits	Companies that do not maintain operations in New Jersey for five years after receiving R&D tax credits are subject to recapture of the value of the tax credits.
	Urban Enterprise Zone Program	Participating businesses are subject to rescission of UEZ tax benefits if they cannot demonstrate employment growth or capital investment. Exceptions are made for businesses that make "good faith effort."
New Mexico	Film Tax Credit	None.
	High Wage Jobs Tax Credit	None.
	Industrial Revenue Bonds	At its discretion, the bond-granting jurisdiction may require repayment of the value of tax abatements associated with the subsidized facility. This is most common for closure of the facility.
	Manufacturer's Investment Tax Credit	None.
	Tax Increment Development Districts	None.
New York	Brownfield Cleanup Program	The state can recapture the credits if the recipient's Certificate of Completion is revoked because of failure to comply with the terms of the remediation project.
	Empire State Film Production Credit	No subsidies are awarded until after the film company incurs the qualified expenditures and fulfills the reporting requirements.
	Empire Zone Program	A recipient can, at the discretion of state officials, be decertified for poor job performance, thus rescinding the contract.
	Excelsior Jobs Program	Failure of a recipient to meet minimum job creation or investment requirements would disqualify it from receiving future subsidies and could result in recapture of benefits received. The program is new, but it appears that these penalties will be applied on a discretionary basis.

State	*Program*	*Penalty Provisions*
New York	Industrial Development Agencies	Numerous (but far from all) local agencies claim to employ recapture and recalibration but do not disclose details. The New York City IDA, on the other hand, uses recaptures and reports on these in an annual report. Examples of the provisions can be found in Bank of America's subsidy agreement for its 1 Bryant Park offices and the NYCIDA's $24 million recapture of subsidies from Pfizer. The Empire State Development Corporation's "Annual Report on Jobs Created and Retained" includes details of recaptured funds from firms participating in programs not examined in this report. ESDC also recaptured grants from non-compliant recipients of the Job Creation and Retention Program allocated to various Lower Manhattan firms after the attacks of September 11, 2001. See the website of our affiliate Good Jobs New York (www.goodjobsny.org) for details.
North Carolina	Credit for qualifying expenses of a production company	If a company does not make the required amount of expenditures, it is not eligible for the subsidy.
	Job Development Investment Grants (JDIG)	If a company fails to meet on average 90% of job creation/retention, investment, and wage requirements, the subsidy may be reduced or terminated. Under some circumstances, a company may be granted additional time to comply with the requirements. However, the company is no longer eligible for the subsidy if it does not comply in 3 consecutive years. If a company does not stay at the project location for at least 150% of the grant term, recapture applies.
	One North Carolina Fund	To claim the assistance, the company has to meet on average 90% of job creation, wage, and health benefit requirements. Additionally, every One North Carolina Fund agreement includes recapture provisions for nonperformance.
	Tax Credits for New and Expanding Businesses (Article 3J Credits)	If a company does not comply with job, benefit, and investment requirements in the agreed upon time period, or if during an audit a company cannot provide documentation that shows it meets the requirements, the subsidy is terminated and recapture applies. Based on general Department of Revenue policy, a company can apply for a penalty waiver once within 3 years based on having a "good compliance record."
	William S. Lee Quality Jobs and Business Expansion Act (Article 3A)	Each of the credits available through the program has specific penalty provisions. However, in each case the subsidy is terminated when a company is no longer an eligible business type, does not meet the required number of jobs, or stops providing health insurance to its employees. If during an audit a company cannot provide documentation showing it meets the requirements, recapture applies. Based on general Department of Revenue policy, a company can apply for a penalty waiver once within 3 years based on having a "good compliance record."
North Dakota	Development Fund – PACE loans and Regional Rural Revolving Loan Fund	The Pace program requires that the borrower "shall demonstrate that within one year there will be a minimum of one job created and retained for every $100,000 of total loan proceeds. Otherwise, the interest buydown will be prorated to reflect any partial fulfillment."
	Income Tax Exemption for New or Expanding Businesses	Businesses that do not fulfill employment commitments for both the construction and operational phases of the business are subject to the revocation of the balance of their income tax exemption from the date of the breach of the agreement. The penalty can be waived at the discretion of the State Tax Commissioner.

State	*Program*	*Penalty Provisions*
North Dakota	New Jobs Training	As long as the minimum job creation threshold is met, there is no penalty for failing to create the number of jobs agreed to in an individual agreement. However, if the company does not meet the minimum job creation threshold, the subsidy is canceled and the company must pay back any upfront loan it received for jobs that were not created.
	Renaissance Zones	If the recipient fails to meet investment requirements, the credit is disallowed and any previously claimed credit must be repaid. Exceptions from penalties are at the discretion of the Tax Commissioner.
	Wage and Salary Credit	No subsidies are provided until after the recipient substantiates that it has made qualified expenditures.
Ohio	Community Reinvestment Area (CRA) Program	At their discretion, local jurisdictions that provide CRA tax abatements may recapture the value of those abatements for failure to create jobs or meet payroll targets. CRA status may also be revoked from property owners that fail to fulfill agreement obligations.
	Job Creation Tax Credit	At its discretion, the Tax Credit Authority can cancel or recalibrate the tax credit benefit level for failure to create the agreed upon number of jobs or meet job quality standards. If the recipient moves operations away from the project location before the term of the tax credit agreement is over, the state may require repayment of the value of the credits.
	Job Retention Tax Credit	At its discretion, the Tax Credit Authority can cancel or recalibrate the tax credit benefit level for failure to create the agreed upon number of jobs or meet job quality standards. If the recipient moves operations away from the project location before the term of the tax credit agreement is over, the state may require repayment of the value of the credits.
	Ohio Workforce Guarantee	None.
	Rapid Outreach Program	At its discretion, the state may collect on Rapid Outreach loans and grants for failure to create or maintain jobs.
Oklahoma	21st Century Quality Jobs	If a company does not meet the wage or job requirements within 3 years, the subsidy is terminated; if it does not maintain required job and wage levels quarterly, it is not eligible for the subsidy for that quarter; if the company does not meet job and wage requirements for 4 consecutive quarters, it is not eligible for any further subsidy payments.
	Investment/New Jobs Tax Credit	If a company does not meet the job and/or investment requirements within 3 years, it cannot claim the tax credit. After the first three years, if the company does not maintain the required job and investment levels, it is not eligible for the subsidy in that year.
	Opportunity Fund	Reporting, verification and specific penalties are negotiated and defined in an individual contract. However, the statute requires a company to repay the subsidy with interest if the money is not used by the date stated in the contract, or if the assets for which the subsidy was received are sold (any profit from the sale has to be shared with the state).
	Quality Jobs	If the payroll requirement is not met for one of any 4 consecutive quarters within the first 3 years, the subsidy is terminated; the wage requirement must be met each quarter.

State	*Program*	*Penalty Provisions*
Oklahoma	Training for Industry	The program does not provide any financial assistance until after the training is over. If a company's total employment drops below the agreed upon level, to qualify for the program in the future, the company has to first return to the required employment level. If a company lays off workers, the layoff must be at least 1 year before a company can again receive the subsidy.
Oregon	Employer Workforce Training Fund/Governor's Strategic Training Fund	The state will cancel the contract or recapture funds from any recipient that does not "make a satisfactory commitment to using the funds to their desired outcomes."
	Oregon Production Investment Fund	None.
	Research Tax Credit	None.
	Strategic Investment Program	The state may subject SIP recipients that substantially fail to meet agreement obligations to recapture of the value of tax benefits. Exceptions are made for unforeseen business circumstances.
Pennsylvania	Film Production Tax Credit	Film production companies that fail to incur the amount of expenses agreed to may be required to repay the value of the credits, at the discretion of the state.
	Job Creation Tax Credit	Companies that fail to meet job creation targets or fail to maintain operations in the state for five years are subject to recapture. Exceptions are made for circumstances outside of the control of the recipient company.
	Keystone Opportunity Zone (KOZ) Program	Companies that hire undocumented workers or move out of the KOZ within the first five years of receiving tax benefits may be subject to recapture or revocation of KOZ status, at the discretion of the state.
	Opportunity Grant Program	The state imposes clawbacks, and in some cases a 10% additional penalty, on companies that substantially fail to meet investment, job creation or retention goals. Exceptions are made for circumstances outside the control of the recipient company.
	Research and Development Tax Credit	R&D tax credits may be subject to recapture if the state determines the claimant is ineligible.
Rhode Island	Corporate Income Tax Rate Reduction for Job Creation	Rescission occurs if recipient fails to meet or maintain job benchmarks or meet job quality standards.
	Enterprise Zone Tax Credits	Recapture or rescission occurs if recipient fails to meet or maintain job benchmarks or meet job quality standards.
	Job Training Tax Credit	Recalibration or rescission occurs if recipient fails to make qualified training expenditures or fails to meet job quality standards.
	Manufacturing and High Performance Manufacturing Investment Tax Credits	Recapture or rescission occurs if recipient fails to meet job quality standards.
	Motion Picture Production Tax Credit	Recipients must be pre-approved with a proposed budget before eligible activities begin; once production is finished, recipient must undergo an audit. If the recipient's audit shows that qualified spending was less than what was proposed or did not qualify, penalties can include subsidy recalibration or rescission.
South Carolina	Economic Impact Zone Investment Credit	Recapture applies when the property for which the subsidy was claimed is taken out of service or removed from the state before the end of a required period.

State	*Program*	*Penalty Provisions*
South Carolina	Job Development Credits	If a company fails to meet investment or job creation requirements by the date stated in a contract, the agency may terminate the contract and reduce or suspend the subsidy; to claim the credit, the company has to maintain jobs for the entire quarter.
	Job Tax Credit	If a company does not maintain the required number of jobs, no subsidy is allowed that year.
	readySC	The program statute does not define any penalties and no readySC official responded to Good Jobs First requests for an interview.
	Research & Development Credit	The program does not provide any financial assistance until after a company has made qualified expenditures.
South Dakota	Pooled Bond Program	None
	Revolving Economic Development and Initiative (REDI) Fund	Subsidies are clawed back from companies that leave the state. Penalties are almost never undertaken for shortcomings in job creation or job quality standards built into contracts, although they are possible.
	South Dakota Agricultural Processing and Export Loan Program (APEX)	None
	Workforce Development Program	Failure to meet employment requirements typically triggers rescission of the subsidy and/or recalibration of future subsidies. Exceptions may be granted on a case-by-case basis.
Tennessee	FastTrack Job Training Assistance	If a company does not meet requirements agreed upon in a contract (jobs, investment, wages) the reimbursement might be reduced. If a layoff occurs, the subsidy might be suspended until the company returns to the previous employment level. Penalties are discretionary.
	Headquarters Tax Credit	If the minimum investment requirement for the Headquarters Sales and Use Tax Credit is not met within the "investment period" (up to 6 years), recapture applies. If the minimum investment level is not met for the Headquarters Franchise and Excise Tax Credit, the credit is not allowed; if a company fails to meet the required number of jobs during the "investment period" (up to 5 years), the company must pay back taxes related to those jobs. If the facility does not remain as a headquarters for 10 years after the end of the "investment period," recapture applies for both types of tax credits.
	Jobs Tax Credit	For the basic job tax credit, if companies other than convention or trade show entities do not meet the job creation and investment requirements within 36 months, no credit is allowed. The agency has discretion to lower the job creation requirement for individual applicants, in which case the subsidy is reduced proportionally.
	Sales and Use Tax Credit for Qualified Facility to Support an Emerging Industry	If the minimum job creation and investment requirements are not met, the credit is not available. If a company does not maintain the required number of jobs or if the facility is not used to support an emerging industry for at least 10 years, the company has to repay sales and use tax credits, plus penalties and interest.
	Tennessee Job Skills	The program statute does not define any penalties and the program administrator was unwilling to answer Good Jobs First's questions regarding the program.

State	*Program*	*Penalty Provisions*
Texas	Texas Economic Development Act (Ch. 313)	Local school districts may impose a recapture or rescission on a discretionary basis if recipient fails to meet or maintain job benchmarks, make capital investments, meet job quality standards, or remain in the state. Exceptions may apply due to force majeure.
	Texas Emerging Technology Fund (ETF)	The Office of the Governor may impose a recapture or a rescission based upon standards, such as an obligation to commercialize a product in Texas, included in individual contracts. Exceptions may apply in cases of force majeure.
	Texas Enterprise Fund (TEF)	Recapture, recalibration, or rescission occurs if recipient fails to meet or maintain job benchmarks or job quality standards set forth in agreements. Governor may modify contract agreements at his or her discretion to grant exceptions.
	Texas Moving Image Industry Incentive Program	The Texas Film Commission and the State of Texas may impose recaptures, recalibrations, or rescissions on a discretionary basis. Recipients must be pre-approved with a proposed budget before eligible activities begin; once production is finished, recipient must undergo an audit. If the recipient's audit shows that qualified spending was less than what was proposed or did not qualify, penalties can include subsidy recalibration or rescission.
Utah	Economic Development Tax Increment Financing	At its discretion, the state may recapture subsidies from or cancel EDTIF contracts with recipients that substantially fail to meet job creation targets or other project agreement terms.
	Industrial Assistance Fund	At its discretion, the state may require repayment, plus interest, of these forgivable loans for failure to meet job creation targets or job quality standards.
	Industrial Assistance Fund (Economic Opportunity)	At its discretion, the state may require repayment, plus interest, of these forgivable loans for failure to meet job creation targets or job quality standards. The state may also cancel project agreements. Exceptions are made for unforeseen business circumstances.
	Motion Picture Incentive Fund (MPIF) & Other Film Incentives	The state is authorized to recapture and seek a 30% penalty from film production companies that fail to meet expenditure targets.
	Targeted Business Tax Credits	For each quarter that a business is determined to be in noncompliance with employment targets, the enterprise zone administrator will reduce the allowable credits by 25%.
Vermont	Economic Advancement Tax Incentives (EATI)	The agency may, at its discretion, require recapture or recalibration if recipient fails to meet or maintain job benchmarks or total payroll requirements.
	Vermont Employment Growth Incentive (VEGI)	Recapture, recalibration or rescission occurs if recipient fails to meet or maintain job benchmarks, job quality standards or make adequate capital investments.
	Vermont Training Program	Recapture or rescission occurs if recipient fails to make qualified training expenditures or meet job quality standards.
	VT Economic Development Authority loans	Recapture of the loan occurs if the recipient fails to make a repayment. If half or more of the jobs move outside the state, the loan immediately becomes due and must be repaid in full.
	Workforce Education and Training Fund	Recapture, recalibration or rescission occurs if recipient fails to maintain employment levels, meet job quality standards or complete training.
Virginia	Enterprise Zone Real Property Investment Grant	Recalibration or rescission occurs if recipient fails to make qualified capital investments after an extensive review and an audit.

State	*Program*	*Penalty Provisions*
Virginia	Governor's Opportunity Fund (GOF)	Recapture occurs if recipient fails to meet or maintain 90% of job benchmarks or capital investments. Recaptures are weighted 50% on jobs and 50% on capital investments.
	Major Business Facility Job Tax Credit	Recapture or recalibration occurs if recipient fails to maintain employment levels.
	Virginia Economic Development Incentive Grant (VEDIG)	Recapture, recalibration or rescission occurs if recipient fails to meet or maintain job benchmarks, payroll benchmarks, job quality standards or capital investment requirements. VEDP may grant an exception at its discretion.
	Virginia Investment Partnership (VIP) & Major Eligible Employer Grant (MEE)	Recapture, recalibration or rescission occurs if recipient fails to meet or maintain job benchmarks, job quality standards or capital investment requirements.
Washington	Aircraft Pre-production Expenditures B&O Tax Credit	None.
	High Technology B&O Tax Credit for R&D Spending	None.
	High Technology Sales and Use Tax Deferral/Waiver	Payment of deferred taxes is required if the state determines that the tax-deferred equipment has been used for purposes other than qualified purposes. Exceptions are made if the tax-deferred equipment has become operationally obsolete.
	New Jobs in Rural Counties and CEZ Tax Credit	The state requires payment of interest on tax credit value from recipients that fail to create the specified number of jobs. Total recapture is required from recipients deemed ineligible for the subsidy.
West Virginia	Economic Opportunity Tax Credit	Subsidies are fully or partially recaptured and future subsidies are recalibrated for companies that fail to meet investment and employment requirements. Exceptions exist for investment property that is stolen or damaged by fire, flood, storm or other casualty.
	Film Industry Investment Act	If the Film Office board determines that a company did not meet the investment threshold, the company will not receive the tax credit. If the board determines that the company did meet the investment threshold but not the job creation threshold, the company will only receive a 27% tax credit rather than a 31% tax credit.
	Governor's Guaranteed Work Force Program	No subsidy is granted until the recipient meets job creation and expenditure requirements.
	Manufacturing Investment Tax Credit	No tax credits are awarded until after the recipient meets investment requirements. However, the company forfeits any unused tax credits if it fails to maintain the property for its full useful life, as determined by the Tax Commissioner. The company also must re-determine the amount of the credit allowed for earlier years based on the amount of time the property was actually used for manufacturing activity and pay any additional taxes required. Exceptions exist for investment property that is stolen or damaged by fire, flood, storm or other casualty.
	Strategic R&D Tax Credit	No tax credits are awarded until after the recipient meets investment and expenditure requirements. However, if the property is disposed of prior to the end of its useful life or ceases to be used in a qualified research and development activity prior to the end of its useful life, the agency will claw back a portion of the credit and recalibrate future credits. Exceptions exist for investment property that is stolen or damaged by fire, flood, storm or other casualty.

State	*Program*	*Penalty Provisions*
Wisconsin	Customized Labor Training Fund	Recapture or rescission occurs if recipient fails to maintain employment levels or closes the facility within 5 years.
	Economic Development Tax Credit Program	Recapture or rescission occurs if recipient fails to meet or maintain job benchmarks, make capital investments or meet job quality standards or if it moves out of state.
	Film Tax Credit Program (Film Production Services & Production Company Investment Tax Credits)	Recipients must be pre-approved with a proposed budget before eligible activities begin; once production is finished, recipient must undergo an audit. If the recipient's audit shows that qualified spending was less than what was proposed or did not qualify, penalties can include recapture, recalibration or rescission.
	Major Economic Development Program (MED)	Recapture or rescission occurs if recipient fails to meet or maintain job benchmarks or make capital investments.
	Transportation Economic Assistance Program (TEA)	The Department of Transportation may, at its discretion, impose recapture, recalibration or rescission if recipient fails to meet or maintain job benchmarks.
Wyoming	Data Processing Center – Sales/Use Tax Exemption	If the purchaser does not meet investment and employment requirements, the sales or use tax must be paid.
	Film Industry Financial Incentive	If a production fails to make the required qualified expenditures, the contract is terminated and the funds reallocated to other qualified productions.
	Sales and Use Tax Exemption for Purchases of Manufacturing Equipment (HB 44)	A penalty occurs when equipment is not primarily used for manufacturing purposes. Program violations result in the recapture of 10% of the tax due.
	Workforce Development Training Fund	If an employee does not complete the training, the company must repay all funds issued for that training. If an employee does complete the training but is not retained for at least 90 days, then the company must repay 25% of the financial assistance provided for the training.

Appendix 5: Enforcement Disclosure Websites

Aggregate Enforcement Data - Disclosure Websites		
State	*Program*	*Web Address*
CA	Employment Training Panel	http://www.etp.ca.gov/pubs_annual_reports.cfm
IA	Enterprise Zone (Business Only)	http://www.iowalifechanging.com/annualrpt/Default.aspx
IA	High Quality Job Creation Program	http://www.iowalifechanging.com/annualrpt/Default.aspx
IL	Economic Development for a Growing Economy (EDGE) Tax Credit	http://www.ilcorpacct.com/corpacct/RecaptureProvisions.aspx
IL	Enterprise Zone Program	http://www.ilcorpacct.com/corpacct/RecaptureProvisions.aspx
IL	Large Business Development Assistance Program	http://www.ilcorpacct.com/corpacct/RecaptureProvisions.aspx
MD	Maryland Economic Development Assistance Authority Fund, MEDAAF 1 & 2, Significant Strategic Economic Development Opportunities & Local Economic Development Opportunities	http://www.choosemaryland.org/aboutdbed/Documents/ProgramReports/2011/MEDAAFAnnualReportFY11.pdf
MD	Sunny Day Fund	http://www.choosemaryland.org/aboutdbed/Documents/ProgramReports/2011/SunnyDayAnnualReportFY11.pdf
MI	Film Tax Credits	http://www.michiganfilmoffice.org/cm/The-Film-Office/Semi-Annual%20Report%20July%2015%202011.pdf
NC	Job Development Investment Grants (JDIG)	http://www.nccommerce.com/Portals/0/Incentives/CLAWBACK%20REPORT%20%2810.1.11%29.pdf
NC	One North Carolina Fund	http://www.nccommerce.com/Portals/0/Incentives/CLAWBACK%20REPORT%20%2810.1.11%29.pdf
NE	Employment and Investment Growth Act	http://www.revenue.ne.gov/incentiv/annrep/10an_rep/775/table02.html
NE	Nebraska Advantage	http://www.revenue.ne.gov/incentiv/annrep/10an_rep/neb_adv/summary_benefits.html
NY	Industrial Development Agencies (New York City only)	http://www.nycedc.com/AboutUs/FinStatementsPubReports/Documents/LL48%20FY10_VolumeI.pdf
OH	Job Creation Tax Credit	http://www.development.ohio.gov/Business/jctc/documents/JCTC_Report2009.pdf
TX	Texas Economic Development Act (Ch. 313)	http://www.texasahead.org/tax_programs/chapter313/TEDA2010-96-1359.pdf
TX	Texas Enterprise Fund (TEF)	http://www.governor.state.tx.us/files/ecodev/TEF_Listing.pdf
VA	Governor's Opportunity Fund (GOF)	http://leg2.state.va.us/dls/h&sdocs.nsf/By+Year/RD2852010/$file/RD285.pdf
VT	Economic Advancement Tax Incentives (EATI)	http://www.thinkvermont.com/LinkClick.aspx?fileticket=MTNNCzqpcbQ%3d&tabid=153
VT	Vermont Employment Growth Incentive (VEGI)	http://www.thinkvermont.com/Programs/VEPC/EIRBReports/tabid/354/Default.aspx
VT	VT Economic Development Authority loans	http://veda.org/wp-content/uploads/VEDA%202011%20Annual%20Report.pdf
WY	Workforce Development Training Fund	http://wyomingworkforce.org/docs/wdtf_BTGMSR_2009-01.pdf

Compliance Status of Specific Companies – Disclosure Websites		
State	*Program*	*Web Address*
CA	Employment Training Panel	http://www.etp.ca.gov/pubs_annual_reports.cfm
CO	Job Growth Incentive Tax Credit	http://www.colorado.gov/cs/Satellite?c=Page&cid=1184661923087&pagename=OEDIT/OEDITLayout
CO	Strategic Fund	http://www.colorado.gov/cs/Satellite?c=Page&cid=1184661923087&pagename=OEDIT/OEDITLayout
CT	Jobs Creation Tax Credit (aka New Jobs Creation Tax Credit)	http://www.ct.gov/ecd/lib/ecd/DECD_Annual_Report_for_Fiscal_year_2009-2010.pdf
CT	Manufacturing Assistance Act	http://www.ct.gov/ecd/lib/ecd/DECD_Annual_Report_for_Fiscal_year_2009-2010.pdf
CT	Urban and Industrial Site Reinvestment Tax Credit	http://www.ct.gov/ecd/lib/ecd/DECD_Annual_Report_for_Fiscal_year_2009-2010.pdf
IA	Enterprise Zone (Business Only)	http://www.iowalifechanging.com/annualrpt/Default.aspx
IA	High Quality Job Creation Program	http://www.iowalifechanging.com/annualrpt/Default.aspx
IL	Economic Development for a Growing Economy (EDGE) Tax Credit	http://www.ilcorpacct.com/corpacct/ProgressReport.aspx
IL	Enterprise Zone Program	http://www.ilcorpacct.com/corpacct/ProgressReport.aspx
IL	IDOT Economic Development Program	http://www.ilcorpacct.com/corpacct/ProgressReport.aspx
IL	Large Business Development Assistance Program	http://www.ilcorpacct.com/corpacct/ProgressReport.aspx
IN	Economic Development for a Growing Economy (EDGE) Tax Credits	http://iedc.in.gov/assets/files/Docs/Data%20Resources/Publications/ComplianceReport_07-25-11.pdf
IN	Hoosier Business Investment Tax Credit (HBITC)	http://iedc.in.gov/assets/files/Docs/Data%20Resources/Publications/ComplianceReport_07-25-11.pdf
IN	Skills Enhancement Fund (SEF)	http://iedc.in.gov/assets/files/Docs/Data%20Resources/Publications/ComplianceReport_07-25-11.pdf
MA	Life Sciences Investment Tax Credit	http://www.masslifesciences.com/tax/2011/Taxincentivedefermentreport81911.pdf
MD	Maryland Economic Development Assistance Authority Fund, MEDAAF 1 & 2, Significant Strategic Economic Development Opportunities & Local Economic Development Opportunities	http://www.choosemaryland.org/aboutdbed/Documents/ProgramReports/2011/MEDAAFAnnualReportFY11.pdf
MD	Sunny Day Fund	http://www.choosemaryland.org/aboutdbed/Documents/ProgramReports/2011/SunnyDayAnnualReportFY11.pdf
MI	Film Tax Credits	http://www.michiganfilmoffice.org/cm/The-Film-Office/Semi-Annual%20Report%20July%2015%202011.pdf
MI	Michigan Economic Growth Authority (MEGA) Tax Credits	http://www.michiganadvantage.org/cm/Files/Reports/Michigan_Economic_Growth_Authority/MEGA%20FY%202010-2011.pdf
MN	Job Opportunity Building Zones (JOBZ)	http://www.positivelyminnesota.com/Government/Business_Subsidy_Reporting/Program_Reports_to_the_Legislature/2010_JOBZ_Report/JZ_Appendix_I.xlsx
MN	Job Skills Partnership Program	http://www.positivelyminnesota.com/All_Programs_Services/Minnesota_Job_Skills_Partnership_Program/Funded_Projects/List_of_Funded_Projects.aspx
MO	Quality Jobs Program	http://www.missouridevelopment.org/pdfs/2010annualreport.pdf

State	*Program*	*Web Address*
NC	Job Development Investment Grants (JDIG)	http://www.nccommerce.com/Portals/0/Research/IncentiveReports/EconomicDevelopmentGrantReport2010.pdf
NC	One North Carolina Fund	http://www.nccommerce.com/Portals/0/Research/IncentiveReports/EconomicDevelopmentGrantReport2010.pdf
NY	Empire Zone Program	http://www.empire.state.ny.us/BusinessPrograms/Data/EmpireZones/EmpireZones_Resolution1of2010.pdf
OH	Community Reinvestment Area (CRA) Program	http://development.ohio.gov/oteisearch/CRA/
OH	Job Creation Tax Credit	http://www.development.ohio.gov/Business/jctc/documents/JCTC_Report2009.pdf
TX	Texas Economic Development Act (Ch. 313)	http://www.texasahead.org/tax_programs/chapter313/applicants/
VA	Governor's Opportunity Fund (GOF)	http://leg2.state.va.us/dls/h&sdocs.nsf/By+Year/RD2852010/$file/RD285.pdf
VA	Virginia Investment Partnership (VIP)	http://leg2.state.va.us/dls/h&sdocs.nsf/By+Year/RD2852010/$file/RD285.pdf
VT	Economic Advancement Tax Incentives (EATI)	http://www.thinkvermont.com/Programs/VEPC/EconomicAdvancementTaxIncentiveProgram/tabid/153/Default.aspx
VT	Vermont Employment Growth Incentive (VEGI)	http://www.thinkvermont.com/Programs/VEPC/EIRBReports/tabid/354/Default.aspx
VT	Vermont Training Program	http://www.thinkvermont.com/Programs/WorkforceTraining/VermontTrainingProgram/tabid/187/Default.aspx
WI	Customized Labor Training Fund	http://www.commerce.wi.gov/php/awards/awardList.php
WI	Economic Development Tax Credit Program	http://www.commerce.wi.gov/php/awards/awardList.php
WI	Major Economic Development Program (MED)	http://www.commerce.wi.gov/php/awards/awardList.php
WI	Transportation Economic Assistance Program (TEA)	http://www.commerce.wi.gov/php/awards/awardList.php

Names of Companies Penalized – Disclosure Websites		
State	**Program**	**Web Address**
IA	Enterprise Zone (Business Only)	http://www.iowalifechanging.com/annualrpt/Default.aspx
IA	High Quality Job Creation Program	http://www.iowalifechanging.com/annualrpt/Default.aspx
MD	Maryland Economic Development Assistance Authority Fund, MEDAAF 1 & 2, Significant Strategic Economic Development Opportunities & Local Economic Development Opportunities	http://www.choosemaryland.org/aboutdbed/Documents/ProgramReports/2011/MEDAAFAnnualReportFY11.pdf
MD	Sunny Day Fund	http://www.choosemaryland.org/aboutdbed/Documents/ProgramReports/2011/SunnyDayAnnualReportFY11.pdf
MI	Film Tax Credits	http://www.michiganfilmoffice.org/cm/The-Film-Office/Semi-Annual%20Report%20July%2015%202011.pdf
NC	Job Development Investment Grants (JDIG)	http://www.nccommerce.com/Portals/0/Incentives/CLAWBACK%20REPORT%20%2810.1.11%29.pdf
NC	One North Carolina Fund	http://www.nccommerce.com/Portals/0/Incentives/CLAWBACK%20REPORT%20%2810.1.11%29.pdf
NY	Industrial Development Agencies (New York City only)	http://www.nycedc.com/AboutUs/FinStatementsPubReports/Documents/LL48_FY10_VolumeII.pdf
OH	Job Creation Tax Credit	http://www.development.ohio.gov/Business/jctc/documents/JCTC_Report2009.pdf
TX	Texas Economic Development Act (Ch. 313)	http://www.texasahead.org/tax_programs/chapter313/applicants/
TX	Texas Enterprise Fund (TEF)	http://www.governor.state.tx.us/files/ecodev/TEF_Listing.pdf
VA	Governor's Opportunity Fund (GOF)	http://leg2.state.va.us/dls/h&sdocs.nsf/By+Year/RD2852010/$file/RD285.pdf
VA	Virginia Investment Partnership (VIP)	http://leg2.state.va.us/dls/h&sdocs.nsf/By+Year/RD2852010/$file/RD285.pdf
VT	Vermont Employment Growth Incentive (VEGI)	http://www.thinkvermont.com/LinkClick.aspx?fileticket=uHpqEKMMBkM%3d&tabid=124
VT	Economic Advancement Tax Incentives (EATI)	http://www.thinkvermont.com/Programs/VEPC/EconomicAdvancementTaxIncentiveProgram/tabid/153/Default.aspx