Department of Commerce: Supporting business investment

- No-cost, confidential assistance for overseas investors to do business in Washington State
- Identify sites for expansion or location
- Research new markets
- Locate strategic partners
- Coordinate workforce training
- Regulatory and permitting assistance
Washington’s Key Sectors

- Aerospace
- Agriculture and Food Manufacturing
- Clean Technology
- Forest Products
- Information and Communications Technology
- Life Science/Global Health
- Maritime
- Military and Defense

Recruitment Focus:

- Energy Storage
- Solar
- Electrified Transportation (on-road, aviation and maritime)
- Hydrogen
- Advanced Materials
- Industrial Symbiosis and Circular Economy
Incentive Types

- Statutory
- Discretionary
- State vs Local
- Infrastructure
- Taxation & Operational costs
- Workforce & Training
- Permitting (indirect)
- Market (indirect)
Washington State: Overview of Incentives

Sales and Use Tax Exemption
• Exemption for other qualifying machinery and equipment used directly in a manufacturing operation or research and development.

Construction Sales & Use Tax Deferral
• Sales and Use Tax Deferral on construction of new manufacturing facilities. Up to $400,000 in tax deferral. (SB 5901, Passed and TBC)

Job Credit
• Earn to $2,000-4,000 per employee against your B&O Tax (rural areas only)

State Training Support
• Customized employment training programs via Job Skills Program (JSP).

Manufacturing Growth & Site Readiness.
• Commerce will roll out two new programs over the next month.

Governor’s Strategic Reserve Fund
A discretionary program designed for business recruitment ($100,000-$300,000)
Washington’s Clean Energy Fund

WASHINGTON STATE
INVESTING IN CLEAN TECHNOLOGY

CLEAN ENERGY FUND OVERVIEW
Since 2013, Washington’s Clean Energy Fund has managed a portfolio of $20 million in grants for industry, researchers, utilities and their partners to explore new energy concepts and technologies.

TOP FOUR PROGRAMS FOR THE INDUSTRY:
• Research, Development & Demonstration Grants (RD&D)
• Grid Modernization Grants
• Transportation Electrification Grants
• Solar Deployment Incentives

RECENT CLEAN ENERGY FUND RD&D AWARDS INCLUDE:

$2,344,500 CORUMAT
for the development of bio-derived plastics for the food

$1,125,360 UNIVERSITY OF WASHINGTON
to improve composites manufacturing economically viable by minimizing waste

$555,737 OSCILLA POWER
for advanced technology to extract energy from ocean waves

THE RD&D GRANT SPECIFICS
These grants are available to any Washington State private business, research institution, college, university, nonprofit, or organization pursuing clean energy technology. Since the inception of the program, over $50 million in RD&D projects have been funded.

Awards range from a minimum of $150,000 to $1.5 million per project. The
Washington’s Pro-business Environment

- No state corporate income tax
- No state personal income tax
- No sales tax on equipment
- No inventory tax
- No tax on interest or dividends

Washington State does have a Business & Occupation (B&O) tax. The B&O tax is based on gross receipts. B&O tax rate for manufacturing is 0.00484. For every $1M in gross receipts the B&O tax is $4,840.
## DOR Statutory Incentives

<table>
<thead>
<tr>
<th>Incentive</th>
<th>Description</th>
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<tbody>
<tr>
<td>Anaerobic digesters - property and leasehold excise tax exemption</td>
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<tr>
<td>Clean alternative fuel and plug-in hybrid vehicles - sales/use tax exemptions</td>
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<tr>
<td>Clean alternative fuel commercial vehicle and vehicle infrastructure B&amp;O or PUT tax credit</td>
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<tr>
<td>Electric vehicle infrastructure (charging stations), batteries, and fuel cells - sales/use tax exemption, leasehold tax exemption</td>
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<tr>
<td>Electric vessel and marine batteries and shoreside infrastructure sales/use tax exemption</td>
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<td>Electric vessel and marine propulsion system sales/use tax exemption</td>
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<td>Hog fuel sales &amp; use tax exemption</td>
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<td>Hydrogen fuel cell electric vehicles - sales/use tax exemptions</td>
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<td>Public utility tax credit for incentive payments made to owners meeting the state energy performance standard</td>
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<td>Ride-share vehicles</td>
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<td>Sales and use tax exemption for anaerobic digesters and equipment used to process biogas from landfills and anaerobic digesters</td>
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<tr>
<td>Solar canopy sales and use tax deferral</td>
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<tr>
<td>Solar energy systems and components of solar energy systems manufacturers - reduced B&amp;O tax rate</td>
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Washington 2022 Legislative Session Clean Energy Policies

Improved Permitting & Siting Laws (EFSEC):
• **HB 1812** aims to modernize the Energy Facility Site Evaluation Council (EFSEC) to meet the state’s clean energy goals. EFSEC was created in 1970 to centralize the siting and permitting for large energy projects.
  • This bill expands EFSEC’s permitting abilities to include other facilities that can opt into the siting process, such as clean energy product manufacturing facilities; storage facilities; renewable natural gas facilities; and renewable or green electrolytic hydrogen facilities.

Community Solar Incentives:
• **HB 1814** establishes a new Community Solar Expansion Program to increase equitable access to the benefits of renewable energy. The [WSU Energy Program](#) will administer the program, which will provide direct benefits to low-income subscribers, low-income service provider subscribers, and tribal and public agency subscribers.
  • This statewide program is funded at $100 million and lasts from July 1, 2022, to June 30, 2033.
Site Selection Assistance
Thank you!

Radi Simeonova
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Washington State Department of Commerce
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+1.206.265.2921
Why Choose Washington?

- Growth-oriented economy
- Educated workforce
- Global hub for exports
- Culture of entrepreneurship
- Pro-business environment
- Low-cost energy
Commitment to a 100% clean economy

100% clean electricity by 2035

100% clean new vehicles by 2030

100% clean new buildings by 2030
We strengthen communities

HOUSING HOMELESSNESS
INFRASTRUCTURE
BUSINESS ASSISTANCE
ENERGY
PLANNING
COMMUNITY FACILITIES
CRIME VICTIMS & PUBLIC SAFETY
COMMUNITY SERVICES
Office of Economic Development and Competitiveness (OEDC)

Chris Green
Assistant Director

Business Development,
Radi Simeonova

Industry Sector Leads

Small Business Export Assistance,
Isabelle De Wulf
Ranked #1 for Business

Overview of Washington

Washington, the only state named after a U.S. president, gained its statehood in 1889.
Washington State’s Remarkable Growth

• One of 10 largest economies in the U.S.

• Annual economic output of more than a half a trillion dollars.

• The state’s economy is bigger than the 25 smallest U.S. states combined
Washington State Connectivity

WASHINGTON STATE’S GLOBAL REACH

BEIJING  TOKYO
TAIPEI

SEATTLE
KIRKLAND
REDMOND

WASHINGTON STATE

LONDON  BERLIN
PARIS
BARCELONA

SEATTLE
AN HOUR CLOSER TO ASIA THAN OTHER WEST COAST CITIES

LONDON to ASIA
SAVE FLIGHT TIME THROUGH SEATTLE

FLYING THROUGH SEATTLE
via SFO is 1000 miles longer
via LAX is 1420 miles longer

WASHINGTON STATE DEPARTMENT OF COMMERCE
Washington’s Pro-business Environment

Top State Marginal Corporate Income Tax Rates as of January 1, 2022
Today, utility companies get nearly 82% of their energy from hydropower. Reliable, renewable and produces almost zero greenhouse gas emissions.

The Clean Energy Transformation Act (CETA) now requires that all WA electricity be 100% carbon free by 2030.

A leading producer of hydroelectric electricity. Washington State produces 25% of the nation’s utility-scale hydroelectricity.

The average industrial electricity rate of 4.13¢/kWh. This is 38% less than the national average industrial rate of 6.67¢/kWh.

Major efforts underway to electrify WA’s transportation system, with a heavy emphasis on innovation around maritime and aviation electrification, as well as the built environment.
Washington’s Climate Commitment Act

- **The Climate Commitment Act (or CCA)**

- **How does it work?**
  - Caps and reduce greenhouse gas emissions from the state’s largest emitting sources and industries, allowing businesses to find the most efficient path to lower carbon emissions.

- **The Cap-and-Invest Program**
  Generates revenue for tackling climate change and promoting resilience. Proceeds must be used for clean energy transition and assistance.
A leader in Innovation and Education

• Washington State is the most research intensive economy in the U.S.
• Seattle is the only city in the U.S to be ranked in the top 3 US cities for both corporate and academic R&D spending.
• Seattle is ranked a top 10 energy start-up city.
• University of Washington is a top ten U.S. energy research university and a top 3 computer science research university.

• A world-class academic and research backbone across Washington:
  • University of Washington (UW)
  • Pacific Northwest National Laboratories (PNNL)
  • Washington State University (WSU)
Clean Energy Fund Programs

Working to transform and modernize the energy sector. We’re opening new markets for clean energy and low-carbon technology.