

CITY OF REDDING, CALIFORNIA

Council Policy

SUBJECT ECONOMIC DEVELOPMENT/PERSONAL PROPERTY TAX REBATE FOR QUALIFIED MANUFACTURING PROPERTY	Resolution Number	Policy Number	Effective Date	Page
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BACKGROUND

In furtherance of the City Council's goals involving economic development and job creation, the City offers a number of financial incentives, either through its own resources or in accordance with the State of California authorized enterprise zone program. These incentives range from economic development rate incentives in the Electric Utility through expedited processing of major development projects to generate jobs and provide economic stimulus in the city. Additionally, the State of California, effective with the 1994-95 fiscal year, authorized the rebate of personal property tax revenue received from certain economic revitalization manufacturing property for a period of five (5) years from the date the property was placed in service.

PURPOSE

In order to implement the action of the State Legislature and the Governor, it is necessary that the City Council expressly authorize the rebate of personal property taxes for qualified economic revitalization manufacturing property, as defined in the State Revenue and Taxation Code, for a period up to five (5) years from the date property was placed in service. This additional economic development incentive would be offered in accordance with the following provisions necessary to facilitate the expansion of local businesses and the attraction of new industry and jobs to the community.

POLICY

It is the policy of the City Council that a personal property tax rebate program shall be established in the City of Redding in accordance with the following provisions:

1. Subject to approval by the City Council, an employer will be eligible for the personal property tax rebate on economic revitalization manufacturing property (tangible personal property) that meets the following requirements:
 - ▶ The property is directly involved in the manufacturing process and not in a preliminary or subsequent activity, or one that is incidental to manufacturing.
 - ▶ Use of the property will lead to the creation of at least ten (10) new full-time manufacturing jobs or positions at salary levels of at least \$10.00 per hour (\$20,000 per year). Such jobs or positions will remain in existence for a continuous five-year period.
2. The personal property tax rebate will be made upon a showing by the employer that the tax was paid.
3. The employer receiving the personal property tax rebate shall submit an annual report to the City on the number of full-time employees which qualify the employer for the rebate.

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4. The Office of the City Manager shall cause the forms, agreements, and contracts to be prepared necessary to implement the program.
5. In accordance with the provisions of the California Revenue and Taxation Code, the personal property tax rebate program shall sunset on January 1, 2000.