automotive industry

IOWA economic development

the automotive industry is on the fast track in Iowa

According to the Center for Automotive Research (2015), the industry employs 79,000 Iowans. There are 11,200 direct and indirect jobs in the state for automakers and 18,900 direct and indirect jobs for motor vehicle dealers. Collectively, advanced manufacturing plays a dominant role in the Iowa economy as the state's largest industry sector, contributing almost $31.2 billion annually to the Gross State Product (GSP) and employing 216,000 Iowans.

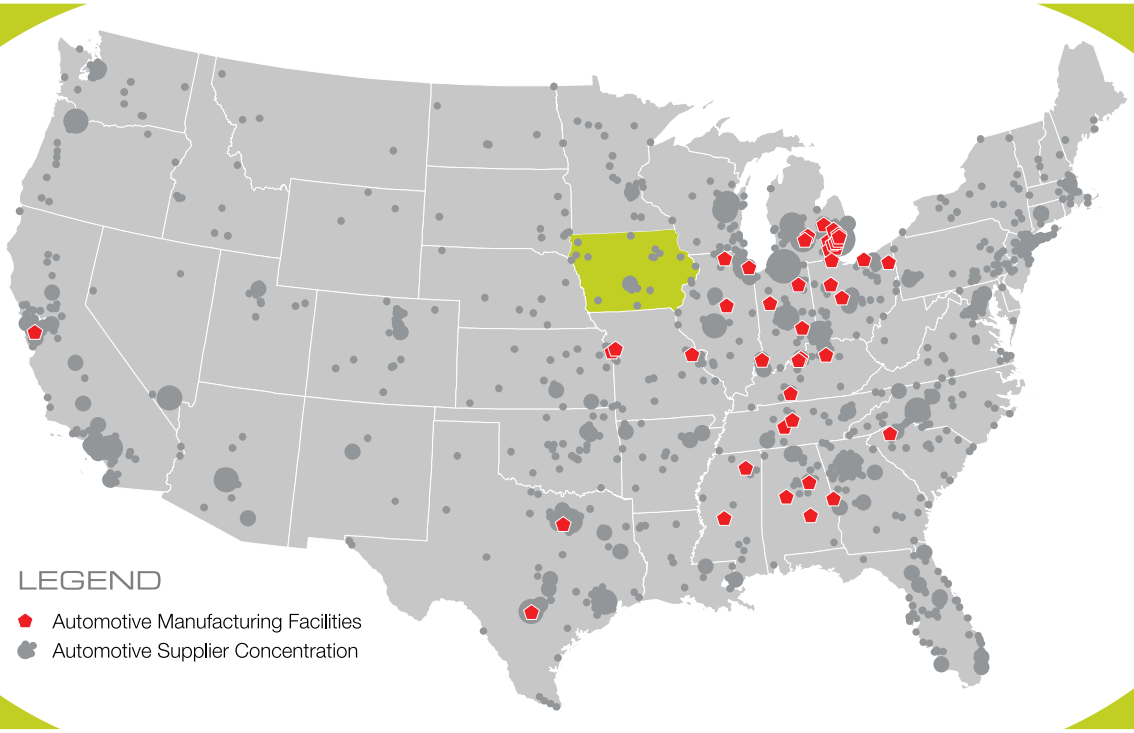
Access to innovative research facilities like the National Advanced Driving Simulator (NADS) at the University of Iowa is a key advantage to automotive companies looking to locate in Iowa. The NADS facility is home to a range of simulators that offer varying levels of driving realism. Development and research conducted at the NADS – sponsored by government, military and industry partners – saves lives, improves quality of life for motorists, advances the state of the art in driving simulation and improves the efficiency and productivity of the vehicle manufacturing sector.

Expansion of the automotive industry is in high gear. In fact, Alcoa, a global innovation leader in lightweight metals, products and solutions completed a $300 million expansion in its Davenport, Iowa, facility. Alcoa's expansion will supply Ford's 2015 F-150 with high-strength automotive sheet metal made with military-grade aluminum alloy.

automotive component companies at work in Iowa

Borghi – Solutions for the Brush Industry
FEDERAL MOGUL
MAGNA
MAHLE – Driven by performance
NSK

automotive manufacturing in the United States



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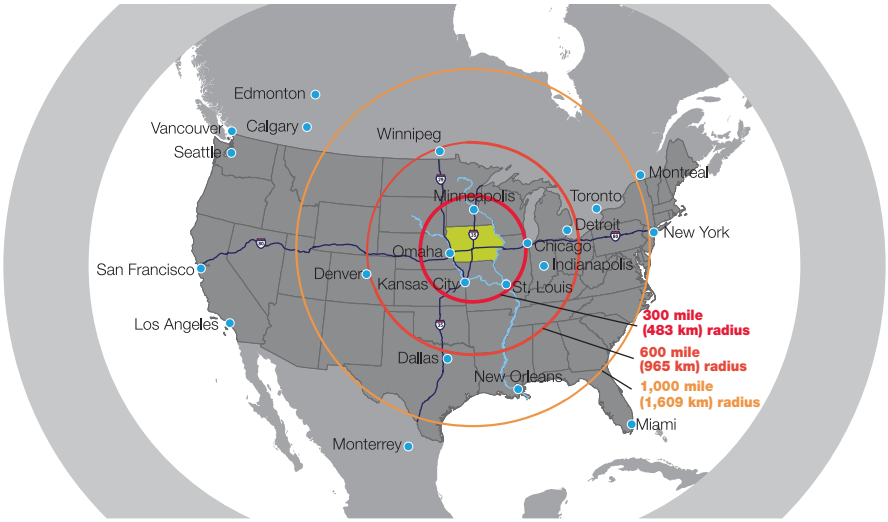
Iowa's business climate has never been more favorable

Iowa is a right-to-work state with a superior business climate that offers flexible assistance for qualifying business expansions or relocations. With a low cost of doing business, companies operating in Iowa benefit from a business-friendly state government, technology transfer from world-renowned research universities, a skilled and productive labor pool and a central geographic location.



key business tax advantages

Iowa Corporate Income Tax

A number of features of Iowa's corporate income tax offer significant advantages:

- 50 percent deductibility of federal taxes from Iowa corporate income.
- Single-factor, non-unitary tax — Iowa's tax is based only on the percentage of total sales income within the state.
- Iowa corporate income tax may be reduced or eliminated by the New Jobs Tax Credit or High Quality Jobs Program benefits.

No Personal Property Tax

Personal property is not assessed for tax purposes. In Iowa, personal property includes corporate inventories of goods-in-process, raw materials and salable goods.

No Sales and Use Tax on Industrial Machinery and Equipment Purchases

The purchase of industrial machinery, equipment and computers used for manufacturing is exempt from Iowa sales or use tax. In addition, there is no sales tax on materials used in the manufacturing process or for purchases of electricity or natural gas used directly in the manufacturing process.

No Property Tax on New Industrial Machinery and Equipment

Industrial machinery, equipment and computers are exempt from property tax.

For site location assistance, contact the Iowa Economic Development Authority (IEDA)

1.800.245.IOWA **+1.515.725.3100** **iowaeconomicdevelopment.com**

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