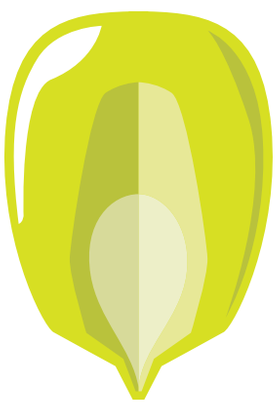
IOWA®
economic development

AN INSPIRED BUSINESS ENVIRONMENT

OPPORTUNITY AS FAR AS THE EYE CAN SEE.

Maybe you've heard: Iowa grows a lot of corn. But what you may not know is that agriculture is the foundation of an agronomic ecosystem that creates a strong and diverse business climate. One where you can count on costs to be low and stable. Where new discoveries from our universities become new products created by innovative companies. That produces opportunities that attract the world's leaders in the industries of tomorrow. Where they find a logistical network that helps move ingredients to factories and products to market—anywhere in the world.



PRODUCTS PRODUCED FROM CORN IN IOWA

PLASTICS

CO_2 GAS

SWEETENERS

STARCHES & COMPOUNDS

FUEL & OILS

PHARMACEUTICALS

SOURCE: Iowa Economic Development Authority

WHERE MANUFACTURERS CUT COSTS WITHOUT GOING TOO FAR.

Manufacturing is a numbers game. Lowest cost wins. Well, unless quality slips. And you encounter labor problems. And logistical nightmares twist your supply chain (and your stomach) in knots. That's why manufacturers considering going overseas are discovering a solution that's closer to home. Iowa. We're a right-to-work state with one of the lowest costs of doing business. One that's graduating the engineers manufacturers need. And one with a well-connected transportation system.

It's no wonder Iowa's manufacturing grows year after year and is our single largest business sector. Sure, manufacturing is a game. And it's being won here in Iowa.

IOWA CONSISTENTLY RANKS AMONG THE TOP 10 STATES IN % of GDP FROM THE MANUFACTURING SECTOR

SOURCE: Bureau of Economic Analysis, 2012

IOWA PATENTS IMPACTING ADVANCED MANUFACTURING

78%

SOURCE: U.S. Patent and Trademark Office, 2011

IOWA COLLEGES & UNIVERSITIES PRODUCE OVER

1,500

ENGINEERING GRADUATES

PER YEAR

SOURCE: Iowa Board of Regents

10.2%

GROWTH IN IOWA'S TOTAL GDP

8.2%

GROWTH IN THE U.S.

SOURCE: Bureau of Economic Analysis, Growth from 2010 - 2012

SINCE 2001, IOWA'S BIOSCIENCE GROWTH HAS FAR OUTPACED THE NATION IN 3 OF 4 OF THE BIOSCIENCE SUBSECTORS

-5.9% | 34.5%

AG FEEDSTOCK AND CHEMICALS

-3.1% | .

DRUG AND PHARMACEUTICALS

23.8% | 57.4%

RESEARCH, TESTING AND MEDICAL LABORATORIES

IA U.S.

SOURCE: Battelle Analysis of BLS, QCEW Data, enhanced file from IMPLAN, 2010

BIOSCIENCE R&D EXPENDITURES ARE 12% HIGHER THAN THE NATIONAL AVERAGE

SOURCE: National Science Foundation, 2011

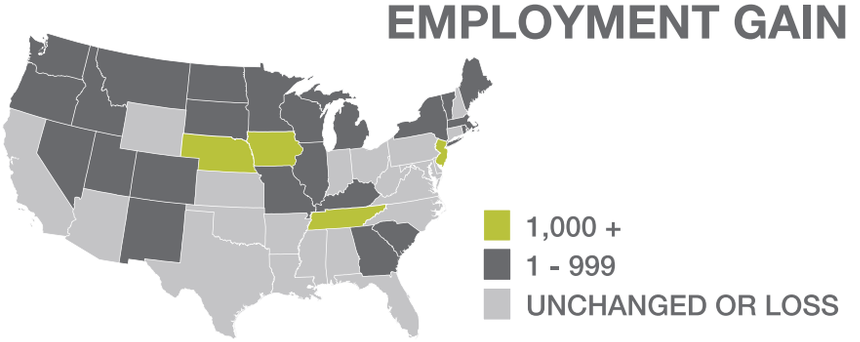
WHY THE FUTURE KEEPS GETTING HERE SOONER THAN EXPECTED.

Bioscience innovation comes naturally to Iowa. Not only do we have the crops used in biofuels, biomedicines and biodegradables, we are home to three public universities that make research, science and innovation an important part of their mission. This has generated a constant stream of breakthroughs that puts Iowa on the leading edge of bioscience. It is an innovation corridor that has spawned countless startups, patents, engineers and discoveries in the biosciences, advanced manufacturing and energy production sectors.

Our colleges and universities, together with our community college system, are developing and preparing the next generation of employees your company will need to turn these discoveries into profits.

AGRICULTURAL FEEDSTOCK AND CHEMICALS SUBSECTOR

EMPLOYMENT GAIN



SOURCE: Battelle Analysis of BLS, QCEW Data, enhanced file from IMPLAN, 2010

IOWANS ARE REALLY GOOD AT GROWING THINGS. LIKE MONEY.

What is the most valuable asset for a financial company? Hint: they ride up your elevator every morning. Here in Iowa, you'll find over 101,000 of the nation's most savvy financial and insurance professionals. 80 insurance companies headquarter here. And 6,300 financial companies call Iowa home. What brought the smart money here? The numbers did. We have the fourth lowest cost of doing business on average. We have lower commercial real estate rates. We have favorable tax policies for financial companies. And, Iowa has the talent your company needs to turn those advantages into profits that, well, grow.

IOWA'S INSURANCE PREMIUM TAX RATE IS ONE OF THE LOWEST IN THE NATION

SOURCE: Iowa Insurance Division

DRAKE UNIVERSITY

RANKED IN TOP

14

ACTUARY SCIENCE PROGRAMS

SOURCE: The Society of Actuaries

32.9%

OF THE POPULATION 25 TO 34 YEARS OLD HAS A

BACHELOR'S DEGREE

SOURCE: Census Bureau, American Community Survey, 2012

CORPORATE INCOME TAX

- Single-factor, non-unitary tax is based only on the percentage of net sales income within the state.
- 50 percent deductibility of federal taxes from Iowa corporate income.
- Iowa corporate income tax may be reduced or eliminated by state tax credit programs.

PROPERTY AND SALES OR USE TAXES

- No personal property tax for corporate inventories of goods-in-process, raw materials or salable goods.
- No property tax on industrial machinery, equipment or computers.
- No sales or use tax on purchases of industrial machinery, equipment and computers used for manufacturing or to process data by insurance companies, financial institutions or certain commercial enterprises.
- No sales tax on materials used in the manufacturing process or purchases of electricity or natural gas used directly in the manufacturing process.

WE'RE LOOKING FOR DYNAMIC COMPANIES. NOT AN ATM.

One thing might shock you about Iowa. Our government actually runs a balanced budget. It has to. By law. Since we keep our fiscal house in order, we don't have to bridge sudden budget gaps on the backs of our businesses. In fact, we are even able to be one of the few states to offer refundable research activities credits.

Net-net, we'll do what it takes to bring dynamic companies here. So let's get together to talk about your company's future plans.

RESEARCH & DEVELOPMENT TAX CREDIT

- The credit offers up to 6.5 percent of the company's qualifying research expenditures in Iowa.
- Companies approved for expansion in an Enterprise Zone or under the High Quality Jobs program may be eligible for a supplemental tax credit for qualifying research and

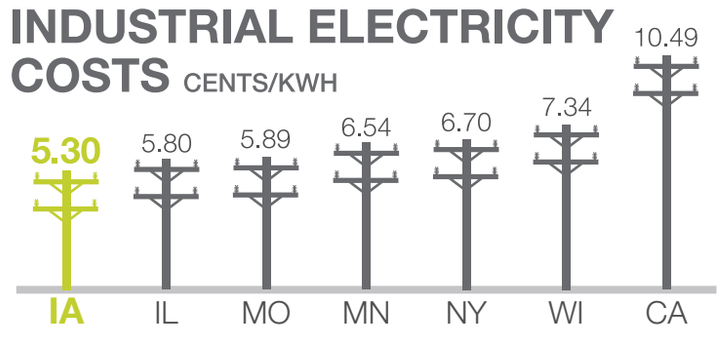
NO STATE CORPORATE INCOME TAX

ON OUT-OF-STATE SALES

LOW COST OF DOING BUSINESS IS BUILT INTO OUR GENES.

Why is our environment so stable? Food is a resource with constant demand, leveling out the peaks and valleys of the economy. This creates a government that is fiscally responsible, leading to regulations that make sense—and an environment that businesses can count on to be consistent.

This stability produces a low cost of doing business. Rents are lower. Construction costs are lower. Our cost of living is lower so our labor costs are lower too. As a state, Iowa is consistently rated by CNBC as having one of the lowest costs of doing business in the country.

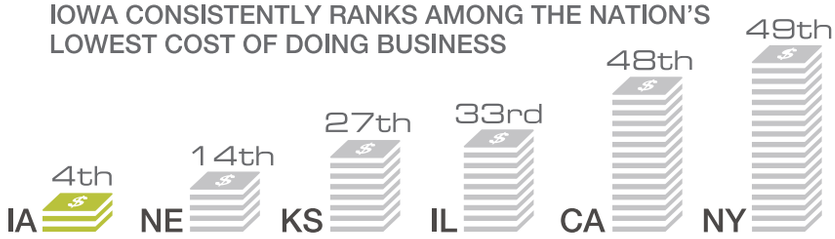


SOURCE: Energy Information Administration, 2012

LOWER RENTAL AND **CONSTRUCTION COSTS** FOR INDUSTRIAL SPACE IN IOWA

SOURCE: NAI Global, 2012

IOWA CONSISTENTLY RANKS AMONG THE NATION'S LOWEST COST OF DOING BUSINESS



4th LOWEST COST OF DOING BUSINESS

SOURCE: CNBC 50 State Comparison Reports, 2013

THEY DON'T CALL US IOWA NICE FOR NOTHING.

The Iowa Economic Development Authority (IEDA) works with businesses and communities to bolster Iowa's economy and position the state for growth. IEDA can assist your company by providing the following types of assistance:

- Direct financial assistance, tax credits and job training funds.
- Confidential location reviews and site location assistance to businesses considering Iowa.
- Technical assistance for businesses considering expansion, relocation or foreign direct investment.
- Free searchable database of information on existing buildings, available sites and Iowa communities.
- Regulatory process assistance provided to Iowa companies or those considering an Iowa location.
- Training and support available to all companies expanding in Iowa. Iowa works in partnership with public/private service providers and other state agencies to actively promote new employee training, incumbent worker preparation, lifelong learning and development and expansion of the state's labor pool.

Maybe it's our upbringing. We're friendly people, especially when it comes to business. If you want to locate or expand here, you'll find a state that welcomes you with open arms. And with opportunities as far as the eye can see. To learn more about what we can offer your business, call the Iowa Economic Development Authority at **515.725.3000**. Or visit us at **iowaeconomicdevelopment.com**.

iowaeconomicdevelopment **businessiowa**

blog.iowaeconomicdevelopment.com

IOWA IS PERFECTLY POSITIONED

IOWA economic development

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