

IOWA[®]
economic development

AN INSPIRED
BUSINESS
ENVIRONMENT

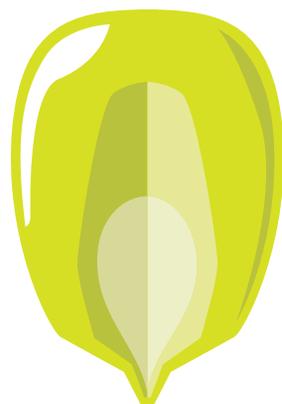






OPPORTUNITY AS FAR AS THE EYE CAN SEE.

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



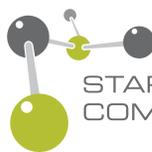
PLASTICS



CO₂ 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



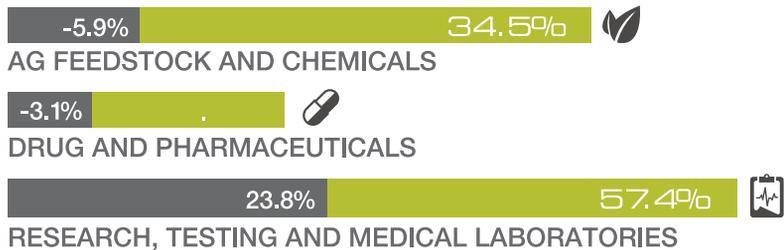
10.2%
GROWTH IN
IOWA'S TOTAL
GDP

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



IA **U.S.** SOURCE: Battelle Analysis of BLS, QCEW Data, enhanced file from IMPLAN, 2010



BIOSCIENCE R&D EXPENDITURES ARE 120% HIGHER THAN THE NATIONAL AVERAGE

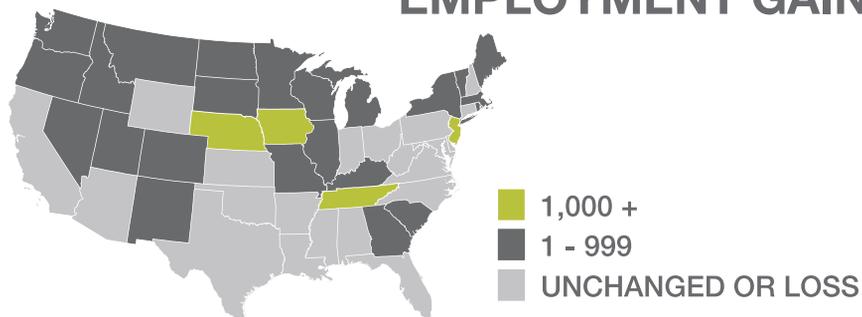
SOURCE: National Science Foundation, 2011

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



SOURCE: The Society of Actuaries

RANKED IN TOP

14

ACTUARY
SCIENCE
PROGRAMS

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

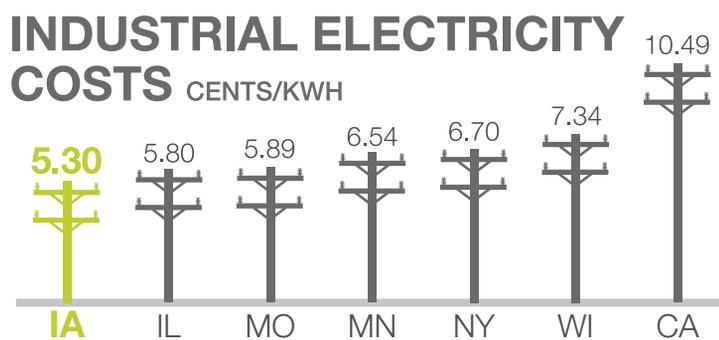


**NO STATE
CORPORATE
INCOME TAX**
ON OUT-OF-STATE SALES

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**.



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IOWA IS PERFECTLY POSITIONED



IOWA
economic development

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