



Tacoma Incentives

Flexible Incentives

- City B&O Tax Credit for New Full-time Employment: \$500/employee added to the Tacoma workforce each year for 5 years (total value: \$2,500/job). Employees that qualify must earn at least \$24.50/hour plus benefits in 2024. The City B&O tax credit is taken each year for every new full-time job created with no specific employee retention requirement, only that the position be maintained for five years. The total City B&O tax credit is unlimited and applies to both new and existing Tacoma businesses creating new jobs.
 - After the hourly wage requirement is met up to three other incentives are available:
 - An additional \$250/employee for each year for 5 years (total value: \$1,250/job) is available if a business meets both of the following tests: (1) does business in international services, such as computer services, engineering, business consulting and other ventures that reach outside U.S. borders, *and* (2) the new job is located within an [Empowerment Zone](#) or “distressed areas” (areas of high poverty and unemployment), as defined by the Washington State Department of Revenue.
 - An additional \$500/employee if the employee is a Tacoma Resident.
 - And an additional \$1,000/employee if the position is a green job – “jobs in businesses that produce goods or provide services that benefit the environment or conserve natural resources” (extracted from [Tacoma Municipal Code 6A.30.065](#)).
 - Tacoma has also adopted *an additional \$1,000 B & O tax credit for employers adding a new position and filling the position with an individual with a physical or mental disability. Note wage and other requirements below.
 - * The Tacoma Work Opportunity tax credit will be available to businesses that create a new permanent position and fill it with an individual with a disability, as identified through the Work Opportunity tax credit vocational rehabilitation referral. The position can be full or part time, but it must offer at least the state of Washington Department of Labor and Industries’ calculated minimum wage. This tax credit does not limit or interfere with businesses’ ability to receive the federal Work Opportunity tax credit for hiring individuals through the vocational rehabilitation referral.

- Tacoma Public Utilities (TPU) Energy Efficiency Rebates/Incentives: Municipally-owned Tacoma Power has a variety of programs to encourage energy efficiency. Staff work with businesses to determine how best to optimize savings. Assistance is available as follows:
 - Tacoma Power can pay up to 70% of the total energy efficiency improvements costs.
 - There is complimentary technical assistance to identify and analyze potential energy efficiency improvements.

- Tacoma Power has specialized programs for industrial customers, including incentives for project management.
- Zero-interest loans of up to \$500,000 may be obtained to replace equipment.
- **Multifamily Property Tax Exemption Incentive:** The purpose of the tax incentive for multifamily housing is to encourage the development of a minimum of four new multifamily units in one of Tacoma's Residential Target Areas, which include: 17 designated mixed-use centers and areas zoned mid-scale residential along Key Corridors. To accomplish this goal, the City of Tacoma offers a property tax exemption to eligible property owners. This incentive exempts property taxes for eight to 12 years on the assessed improvements that create four or more additional housing units. The latter 12-year option requires at least 20% affordable units at 70% Pierce County Area Median Income.
- **City-Assisted Financing:** The City has access to Federal financing, including the Section 108 program, which offers favorable loan terms and is available to assist with acquisition of commercial property, the purchase of fixed assets, working capital needs, facade improvements, the repair or rehabilitation of historically designated commercial properties, and fire safety improvements.
- **Tax-Exempt Bond Financing:** The Economic Development Corporation of Pierce County, located in Tacoma, operates the industrial tax-exempt bond financing program for employment generating activities. Up to \$10 million in bonds can be issued for projects that range between \$2 million and \$20 million. Land acquisition, building construction and/or renovation, architectural design and engineering work, and the purchase of new machinery and equipment are eligible costs.
- **Tacoma's Minority Business Development Agency:** The center is part of a national network of funded centers located in major cities throughout the United States. The center works with minority business enterprises to generate increased financing and contract opportunities and to create and retain jobs. The program's objective is to provide strategic business consulting and technical assistance to established minority businesses and those with rapid growth potential, so that they can achieve greater participation in the development of the nation's commerce.

Washington State Incentives

Washington State has a number of targeted incentives for training, manufacturing, aerospace, carbon reduction and other business activities. Please see a current list of incentives along with eligibility requirements at: [Tax incentive programs | Washington Department of Revenue](#)