

## Reduce Your Tax Rate, While Increasing Your Bottom Line

### Committed to Your Success

At First Advantage, we're committed to supporting the long-term financial success of our customers. One way we help is with our Location Based Incentives service, which provides best-in-class processes to help reduce an organization's effective tax rate and operating costs, while increasing its bottom line.

### Identify and Claim All Applicable Tax Incentives

To keep you updated on the latest available incentives, Tax Credits & Incentives monitors more than 2,000 tax credit and economic incentive programs throughout the United States. These programs were developed by state and local governments to drive job creation, job training, capital investment and new business development.

While these tax programs can save companies hundreds of millions of dollars, industry estimates suggest that only 10 percent of companies are taking full advantage of these incentives.

Leveraging technology and expertise in tax incentives, First Advantage provides tax credit screening services, economic incentive negotiation services and compliance management and administration, to help your business capitalize on the numerous tax incentive programs available through local and state agencies.

### Dollar-for-dollar

The reduction in your tax bill when you claim a tax credit<sup>1</sup>



### \$80 billion

Amount of total tax incentives given to businesses annually<sup>2</sup>



### 2,000+

Number of tax credit programs and economic incentive/opportunity programs monitored by First Advantage



<sup>1</sup> <https://www.sba.gov/blogs/tax-credits-your-business>

<sup>2</sup> <https://theweek.com/articles/754007/are-corporate-tax-incentives-worth>

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## Five Major Categories of Statutory Credits

1. **Hiring Tax Credits** – Targeted toward groups that have faced barriers to employment, there are government programs designed to foster employment of these individuals.
2. **Location Based Tax Credits** – Recognizing the need for revitalization of targeted areas, tax credits are available for businesses that locate in targeted areas. These programs provide benefits to employers that build and or locate their business in these distressed areas.
3. **Investment Incentives** – Many companies leave savings on the table as they spend capital dollars. Capital expenditure projects create an opportunity for companies to achieve tax credits based on investments on qualified machinery and equipment.
4. **Training Incentives** – Most states offer training credits

or grants to businesses that invest in training. This can include internal, external or on-the-job training. These programs offer cost savings to the company of between \$200 and \$500 per employee, offsetting 25 percent to 50 percent of outside training provider costs and 100 percent of internal trainer costs (wages while training).

5. **Sellable Tax Credits** – If a business is looking for ways to mitigate its state tax liability, then it should look at sellable tax credit programs offered throughout the United States. Sellable Tax Credit Programs are offered through partnerships, as well as certification programs. The benefits include: a lower effective tax rate, and an increase in cash flow, as well as after tax earnings. These tax credits come in many forms, from many industries including: film production, green credits, brownfield credits, historic credits, energy credits and low-income housing credits.

We can help. For more information, contact First Advantage today:

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