

## CREDITS AND INCENTIVES

Jurisdiction: U.S.  
Tax Type: SALT  
Issue: State and local credits and incentives  
Date: February 27, 2026

### SYNOPSIS:

Recent headlines surrounding the potential relocation of the Chicago Bears to Indiana have highlighted the competition among states to attract business investment. While high-profile incentive packages often dominate the news, state and local credits and incentives (“C&I”) remain an underutilized tool for middle-market companies and growing businesses.

Most states offer tax credits, grants, financing programs, and workforce development incentives to encourage in-state investment. In addition, municipalities and economic development organizations frequently provide targeted incentives to attract businesses to specific regions. When properly leveraged, these programs can significantly reduce capital expenditures and improve cash flow.

Although large corporations often benefit from sophisticated advisory teams that identify these opportunities, many incentive programs are available to businesses of all sizes that meet eligibility requirements.

### KEY CONSIDERATIONS FOR 2026:

States and local governments continue to compete aggressively to attract and retain employers through:

- Tax credits tied to job creation and capital investment
- Grants and low-interest financing programs
- Workforce training subsidies
- Sales tax exemptions on construction materials

Even though large multinational companies frequently receive media attention, incentive programs are widely available to:

- Expanding small and mid-sized businesses
- Companies relocating or opening new facilities
- Businesses investing in equipment, workforce, or property improvements

### Cash Flow and ROI Impact

Properly structured incentives can provide:

- Immediate cash grants or forgivable loans
- Sales and use tax savings on construction materials
- Reduced financing costs
- Workforce funding that offsets payroll expenses

### CASE STUDIES:

#### ***Strategic Expansion Financing – Camp Hill, PA***

*Working with SimekScott’s C&I team, a growing medical aesthetics company expanding its facility in Camp Hill, Pennsylvania secured:*

- *\$50,000 low-interest loan to support building acquisition*
- *\$50,000 grant tied to full-time job creation*

*These funds delivered \$100,000 in strategic expansion capital, strengthening liquidity during a critical growth phase while supporting workforce expansion. The blended financing structure reduced upfront capital strain and preserved cash for operational scaling.*

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### **Illinois Enterprise Zone Optimization**

*During a client meeting, SimekScott learned that a client was finalizing the purchase of a new Illinois facility. Taking a proactive, holistic view of the client's broader business objectives, the team identified potential C&I opportunities tied to location strategy.*

*Following transaction close, SimekScott confirmed the property was located within a designated Illinois Enterprise Zone, qualifying the client for:*

- *Sales tax exemption on building materials used in rehabilitation*

*Given the region's elevated sales tax rate, this exemption generated approximately 10% savings on material costs, enabling reinvestment into equipment upgrades, facility enhancements, and improved operational cash flow.*

### **INSIGHT:**

Aligning with an advisor who listens to you, thinks holistically, and understands state and local tax credits and incentives can generate real cash impact and improve return on investment. Proactive planning ensures businesses capture available opportunities, optimize capital expenditures, and reinvest savings into growth and community development.

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