

TAX ABATEMENTS AT A GLANCE

UNDERSTANDING BUSINESS INCENTIVES AND THEIR BENEFITS

WHAT ARE TAX ABATEMENTS?

Tax abatements are business incentives that reduce the **initial costs** of opening a business.

They are granted by **individual** taxing districts and can provide full or partial relief from property and other **taxes** for a specified period of time. The city gives final approval.



HOW LONG DO TAX ABATEMENTS LAST?

Typically between **5 and 10 years**. This relief period frees up a company's capital so that it may be used to **purchase** equipment, hire employees, and commence operations.

HOW DOES A BUSINESS QUALIFY FOR A TAX ABATEMENT?

In order to qualify, businesses must **demonstrate** that their operations will make the community stronger.

Incentive packages often contain provisions that require businesses to make **commitments** to the community-at-large (e.g., contributing a percentage of the incentives back to their employees; **donations** to community programs; **funding** educational/training programs).



HOW HAVE TAX ABATEMENTS BENEFITED AMARILLO?

Bell Helicopter is one of the best examples of a successful business incentive program implemented in Amarillo. In 2012, the AEDC granted a tax abatement to Bell to facilitate the construction of a fabrication plant.

Across all phases, the total taxes paid for Bell Helicopter equaled **\$14,820,753**; total taxes abated equaled **\$6,768,725**. The local spend amount from 2005-2015 is **\$1.3 billion**.



WHAT DO THOSE NUMBERS MEAN?

Let's say you purchased a house in **2005** for **\$200,000**.

Ten years later, you sold that house for **\$40,358,000**.

Not a bad investment!



To learn more about tax abatements and business incentives, contact the Amarillo Economic Development Corporation.

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