



Case Study:

Marine Manufacturer

Situation

This Fortune 500 client is a market leader in marine manufacturing, providing products to over 130 countries. With over \$5B+ in annual sales, they own and operate over 50 manufacturing locations throughout the United States, Canada, Europe, Latin America, and Asia Pacific, employing over 27,000 people. Their product line spans three different industries, with the marine industry being their primary focus.

Challenge

The company was planning to add a new marine boat manufacturing facility in the state of North Carolina. One of the locations under consideration involved the \$29M asset acquisition of an existing facility, with an additional planned investment of \$22M. The company was performing a financial analysis and inquired as to the incentives that might be applicable to the project. While being accustomed to claiming the available statutory tax credits, the company had never received discretionary incentives in the past due to the timing of events. Due to the involvement of multiple departments, the company recognized the need for assistance and called on TALX to manage the incentive negotiations. This allowed the company to remain focused on their main operational and strategic goals and ultimately closing the deal.

Solution

After a review of potential incentive programs and discussions with state and local officials, TALX identified the most lucrative programs applicable to the project, including statutory as well as discretionary incentive opportunities. TALX worked diligently with company representatives to collect the information and

documentation necessary to prepare incentive applications, even as the details of the acquisition were evolving and being finalized. TALX was successful in securing the North Carolina Job Development Investment Grant (JDIG) as-well-as a parallel local discretionary grant.

Furthermore, TALX secured the company's eligibility for statutory job tax credits for the existing workforce by coordinating the closure of the facility in compliance with state law. A Private Letter Ruling from the Department of Revenue was also secured that authorized the existing jobs to count as new jobs. Finally, TALX prepared a compliance summary for the company, which included a project summary, analysis of incentives secured, and the procedures for claiming the benefit.

Results

Over \$8.5M in tax and non-tax discretionary incentives, including:

- Job Development Investment Grants (JDIG) worth \$4.36M
- Local economic development grant worth \$250,000
- Private Letter Ruling authorizing all existing jobs to be eligible for the job tax credit – estimated at \$1.2M
- Training incentives worth over \$1.1M
- Sales tax reductions worth over \$1.6M

For more information, please call 1-800-888-8277 or visit www.talx.com.

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