

CITY OF COVINGTON PAYROLL TAX INCENTIVES

PROGRAM GUIDELINES

Reimbursement (Tax rate is 2.45%)	Minimum Payroll	Incentive Period	Minimum Requirements
Recruitment Incentive			
Eligible business types: Professional, Technical and Innovation, Administrative, Manufacturing, Communication, General Medical and/or Surgical Hospitals.			
Accelerators, Incubators and Co-working spaces specializing in the above industries may also apply as one business and must meet the qualifications stated below.			
1%	\$250 K	5 Years	NA
1%	\$2M	10 Years	NA
1.25% Enhanced Incentive	\$2M	10 Years	Companies with 50 or more employees whose average taxable salary is equal to or greater than \$60,000 .
Continuing Business Incentive			
Eligible business types: Professional, Technical and Innovation, Administrative, Manufacturing, Communication, General Medical and/or Surgical Hospitals.			
Accelerators, Incubators and Co-working spaces specializing in the above industries may also apply as one business and must meet the qualifications stated below.			
1%	NA	5 Years	Business has previously received incentives from the City, and is anticipating growth. Upon expiration date of the previous incentive, the dollar amount of taxable payroll, or "base payroll", will be calculated. The reimbursement is available for increases to the base payroll.



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Business Retention Incentive			
Eligible business types: Professional, Technical and Innovation, Administrative, Manufacturing, Communication, General Medical and/or Surgical Hospitals.			
Accelerators, Incubators and Co-working spaces specializing in the above industries may also apply as one business and must meet the qualifications stated below.			
1%	\$250 K	5 Years	Business has not previously received incentives. Purchase of a property or major lease holder improvements. The company must have a 2-year tenure in the City. The existing taxable payroll will be reviewed upon application and a "base payroll" amount will be calculated. The 1% reimbursement is available for 75% of the existing base payroll. The 1% reimbursement is available for 100% of all increases to the base payroll.
1%	\$2M	5 Years	The existing taxable payroll will be reviewed upon application and a "base payroll" amount will be calculated. The 1% reimbursement is available for 75% of the existing base payroll. The 1% reimbursement is available for 100% of all increases to the base payroll.
Vacant Property Payroll Tax Incentive			
Eligible property types: Retail, office or commercial space. Buildings at least 50 years old and have been 100% vacant for 36 or more months.			
1.25%	NA	5 Years	Only applies to net new jobs to the City (Not relocating within the City boundaries).
.625%	NA	5 Years	Can be applied to all jobs.

