

# An Incentives Wish List— What Companies Searching for Their Next Office Location Really Want from an Incentives Package

To be competitive in the site selection process, state and local governments know that they must provide enticing incentive packages that catch a company's eye. After all, there are a lot of options out there when it comes to locating in the US. As a company looking to establish a new office or expand an existing office, you are looking to maximize your options. So, what is out there for the discerning company searching for its match, and what is on the incentive wish list that companies just can't quite find?

## Office Space

Let's face it, working in the office isn't what it used to be. Since the Covid-19 pandemic, work from home was introduced to the masses. Office environments have not been the same since. Back-to-work orders issued by numerous employers have resulted in a patchwork of workforce setups across industries, with mandatory returns coming from some sectors and hybrid to fully remote options available with others.

With these changes the modern office project that was searching for a new location 10 years ago is very different to the one that is in the market now. Often the footprint is smaller, even for headquarters searches. So, what are companies with office projects in search of incentive-wise from a new home?

## Office Project Wish List

1. *Incentives with an increased focus on **job/pay incentives** rather than capital investment. For example, job tax credit variations based on new jobs added to the state.*
2. ***Wage-based incentives**, such as the company being allowed to retain state withholding tax, and ...*
3. *...**adaptive remote worker incentive policies** for these wage-based incentives. For example, South Carolina has a true hybrid and remote work policy for its withholding incentive. The policy allows payment for the days that an employee works in the state and does not pay on the days that an employee works elsewhere.*
4. *Withholding grant or remittance reduction with **favorable payment frequency** (i.e. quarterly (South Carolina) vs. annually (North Carolina and most other states).*
5. ***Cash grants** based on job creation rather than investment.*
6. ***Refundable (sellable/transferable) income tax credits**. For states without this option currently, new legislation could address the phasing in of these options up to an annual cap to protect state budget. The ability to use this option could be further limited by new jobs/investment requirements.*

These are just a few items on the wish list of companies searching for office project locations in the post-Covid work environment. Historically, there have been very few funding mechanisms in place to offset office project costs, particularly at the local level where their greatest opportunity to support generally lies with property tax savings, so creativity and a focus on tailored project needs for this sector are key.

*Do you have a wish list item for your office project location search? Or have you heard of a state or local incentive to attract office projects that we haven't listed above? If so, please contact Beth Buckner [bucknere@mvalaw.com](mailto:bucknere@mvalaw.com) and Beth Friedrich [bethfriedrich@mvalaw.com](mailto:bethfriedrich@mvalaw.com).*

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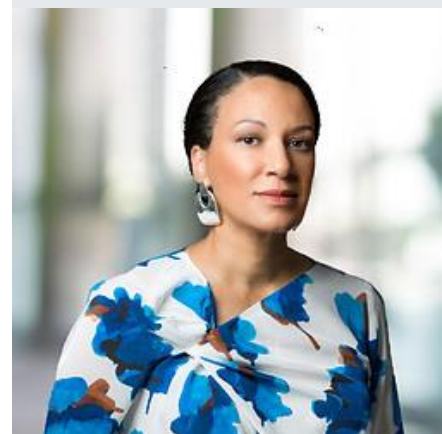
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