



*Credits and
Incentives*



“What we needed, and what Ryan helped us obtain, was a ‘package’ of tax credits and business incentives to make it feasible for us to develop a new facility and expand into new markets.”

Christine M. Guthrie, *Director of Tax, Assistant Corporate Secretary*
Wayne-Dalton Corporation

Christine M. Guthrie, Director of Tax, Assistant Corporate Secretary, Wayne-Dalton Corporation (left) with Helen Lemmon, Ryan Principal and Credits and Incentives Practice Leader.

Consistently Exceeding Our Clients' Expectations

Ryan professionals employ a proven methodology that has enabled them to secure millions of dollars in credits and incentives for clients in many jurisdictions and industry segments. We differentiate ourselves from our competitors through our proven approach to identifying, negotiating, and securing credits and incentives; and our comprehensive follow through on the often onerous compliance requirements.

Ryan continuously invests in new technology, which allows our professionals to provide the highest level of client service. Our leading-edge, proprietary tools augment our team's ability to identify all potential incentives, manage ongoing projects and compliance requirements, and pinpoint current and potential zone opportunities. We maintain and continually update a comprehensive database of benchmarking statistics that detail incentives awarded by jurisdiction, industry, project type, capital investment, employee retention, and job creation. This benchmarking database allows us to provide our clients with realistic expectations regarding the potential incentives that can be obtained for their projects.

Opportunity profile – triggering events

- Establishing new facilities
- Consolidating facilities
- Increasing employment within a state
- Retention of labor intensive operations
- Incurring costs for training initiatives
- Expanding existing facilities
- Relocating facilities
- Incurring significant research and development expenditures

Comprehensive Approach

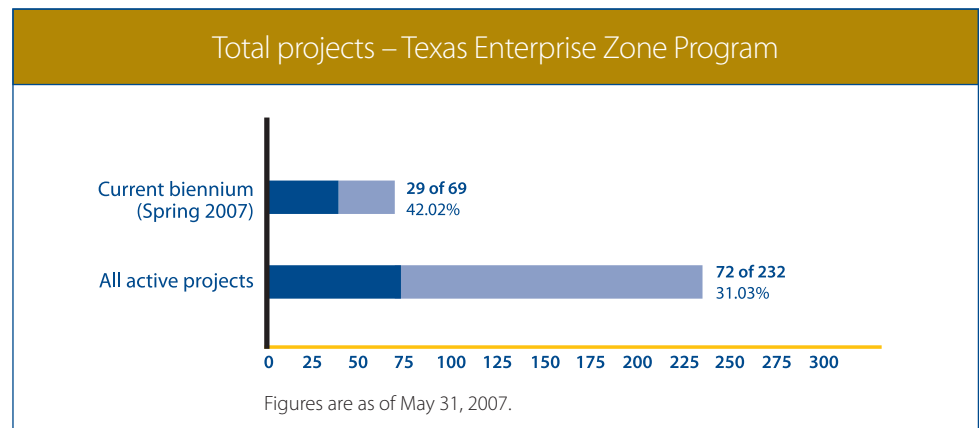
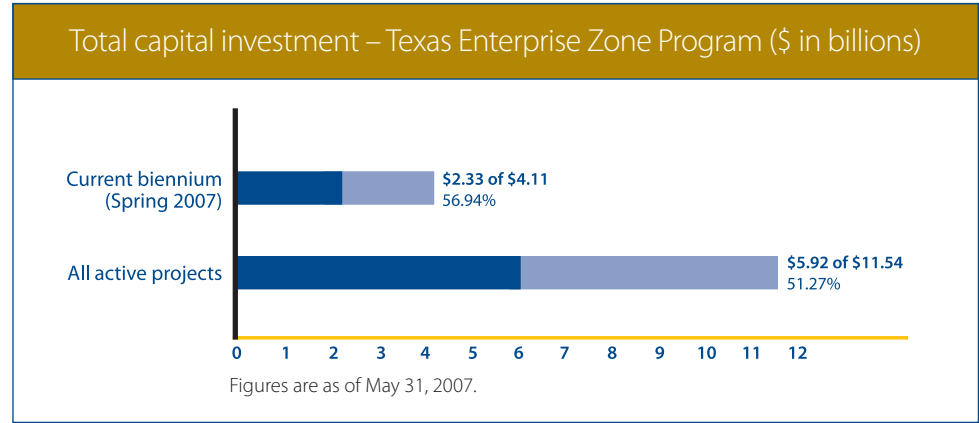


We can generate credits, rebates, and exemptions associated with investment in multiple industries.

Ryan's focus on incentives is the sharpest in the industry. Some estimates indicate that more than 50% of negotiated incentives are never actually used. We address this issue directly by providing our clients with a comprehensive methodology designed to enable full realization of every applicable incentive.

This holistic approach allows our clients to achieve a higher "return on investment" from their projects by maximizing realization of negotiated incentives. We learn each client's business, strategies, and vision to ensure that they align with the priorities of the jurisdiction and the available incentive programs. We carefully analyze and evaluate the critical details of our client's projects such as the industry, job creation and retention, private investment, and local demographics. We then draw on years of experience and relationships with officials in every major jurisdiction to present our client's economic development "story" in the best possible way. We complement these efforts with detailed benchmarking of incentives awarded for similar projects to ensure that our clients obtain the best possible benefits package for their projects.

Ryan is the industry leader in securing Texas Enterprise Zone benefits.



■ Ryan projects ■ Others projects

Avoiding Potential Pitfalls

Several common pitfalls have prevented many companies from realizing the benefits of their negotiated incentives. These include making unrealistic assumptions during the negotiations and failing to follow through with reporting and compliance requirements. We avoid these problems by encouraging the use of realistic assumptions in negotiations with economic development officials.

We diligently work with companies to implement compliance management solutions to minimize the potential for “clawbacks” and compliance lapses. Recently, Ryan released the Credits and Incentives Management System, a proprietary compliance management solution that enables clients to not only track projects and the initial incentives received but also the related compliance requirements. This leading-edge tool provides clients with a straightforward, comprehensive solution for proactively managing their credits and incentives. It offers the ability to run intelligent reports, schedule filing requirements, maintain a central repository of applications, manage inter-departmental responsibilities, track key contacts, and compute year-to-date benefit realization to ensure that their company is realizing the full benefit of their negotiated incentives.

Another common mistake is overlooking the impact of jurisdictional budgets and legislative calendars on incentive negotiations. Funding for incentive programs is generally more plentiful earlier in the budget cycle and may be unavailable towards the end. In the latter case, it is important to monitor the potential legislative appropriation for the next year. Our team closely follows these developments, and in appropriate cases, works with Ryan's Public Affairs professionals to navigate the bureaucratic and political processes that can lead to a favorable outcome. The Ryan Public Affairs practice brings together a knowledgeable and experienced group of tax and government experts that can add value to our clients' tax incentive projects.



Ryan's Credits and Incentives Management System is a proprietary tracking tool that enables clients to actively manage their portfolio of incentives and related compliance requirements to ensure maximum benefit.

Credit Review Process



Ryan's focus on incentives is the sharpest in the industry. Our attention to detail ensures that our clients receive the perfect match of incentive to investment.

Credits typically offset state income/franchise tax liabilities and may generally be claimed retroactively. The law often allows credits to be carried back or forward if the taxpayer's current income is insufficient to fully utilize the credits. Ryan's credit review process is comprised of three primary phases.

Phase I: Identification

We conduct a detailed analysis of all open returns and credits previously claimed and work with our clients to develop an in-depth understanding of their tax position and future business plans.

Phase II: Implementation

We identify all available credits and special zone opportunities by preparing and gathering all necessary information for filing and audit purposes, issuing final memoranda of credits claimed and corresponding positions, and preparing a detailed location analysis.

Phase III: Compliance

We coordinate all annual compliance requirements, assess current tax status and credit eligibility, prepare all required forms and credit applications, and issue updated memoranda and zone designations.

Types of credits		
<ul style="list-style-type: none"> • Child care • Enterprise zone/ designated areas • Investment 	<ul style="list-style-type: none"> • Environmental/pollution control • Job creation • Miscellaneous 	<ul style="list-style-type: none"> • Research and development • Training
Types of incentives		
<ul style="list-style-type: none"> • Cash grants • Forgivable loans • Impact and permit fee waivers • Income/franchise tax credits and exemptions • Industrial revenue/ development bonds • Infrastructure assistance 	<ul style="list-style-type: none"> • Land grants or cost reduction • Payment-in-lieu-of-tax (PILOT) agreements • Low-interest loans • Real and personal property tax exemptions, abatements, and rebates 	<ul style="list-style-type: none"> • Sales tax exemptions and refunds • Streamlined permitting • Tax increment financing • Training grants • Utility rate reductions • Payroll tax credits and rebates

Incentive Negotiation Process

Discretionary incentives generally must be negotiated with economic development officials in advance of any public announcement regarding a project. Incentives can include both tax benefits (e.g., credits, abatements, and exemptions) and non-tax benefits (e.g., grants, loans, and streamlined permitting).

Ryan's incentives professionals work with a client to develop in-depth knowledge regarding a project and its significance to the client's overall strategy. We collaborate with the client to develop a strategy for communicating the company's economic development "story" in a compelling way to the jurisdiction. We typically prepare a detailed presentation that emphasizes the strong points regarding the company and the project. This approach ensures that the officials clearly understand the positive economic impact to the region that the project would deliver. We assist with the negotiation and execution of the actual incentives package and prepare projections of the anticipated benefits.

Finally, our professionals ensure timely preparation and filing of all required applications and compliance reports. We carefully monitor the compliance process to ensure that our clients receive the full benefits from their incentives over the entire agreed upon term.

Why Ryan

Ryan's dedicated Credits and Incentives team is not restricted by the Sarbanes-Oxley Act and has expertise in virtually every industry and jurisdiction. We work in tandem with our clients to provide a proven, full-service approach that includes identification, realization, and annual compliance.

"Ryan helped us achieve our goals by taking the time to fully understand our company, our business objectives, and our project's requirements. Ryan coupled their understanding of our business with a thorough knowledge of the available programs and considerable experience in working with economic development officials. I think that this approach clearly differentiated Ryan from their competitors and has proven to be very successful for Wayne-Dalton."

Christine M. Guthrie,
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