

A Business Perspective on Factors That Influence Location and Capital Investment

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Investment Decision-Making Process

A. Long Range Plan

B. Capital Review Committee

1. Participants

2. Steps in the process

Investment Decision-Making Process

3. Types of Investment Proposals
 - a. Existing Locations
 - Increase capacity
Might increase jobs
 - Lower costs
Might reduce jobs
 - Income tax, property tax and sales tax are included in the proposals
 - b. New Plants
 - Optimal locations
 - Variety of considerations, including property tax abatement and payroll tax refunds
 - c. Decision to Invest is Based on Three Metrics
 - Role of taxes and incentives

Implications of Decision-Making Process

- A. General Considerations
- B. Distinction between how taxes and incentives affect the business climate and how they affect investment decisions
- C. Importance of property tax abatements and payroll tax refunds
- D. Income tax, cash, training expenses

Business Climate

A. Will Reduced Government Services Poison The Well?

1. Transportation, infrastructure , zoning, and utilities
2. Attitude

Business Climate

B. Will Higher Taxes Poison the Well?

1. Uncertainty is Disruptive to the Investment Decision-Making Process
 - a. Sales tax on services
Sourcing and B2B exclusion are unresolved
IL vs. non-IL seller OR
IL vs. multi-state purchaser/user
 - b. Gross receipts tax
2. Bad Higher Taxes
 - a. Repeal of single-weighted sales factor for apportioning income
 - b. Repeal of sales tax exemption for machinery and equipment
3. Not So Bad Higher Taxes