A Business Perspective on Factors That Influence Location and Capital Investment

Fred Montgomery
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Investment Decision-Making Process

A. Long Range Plan

B. Capital Review Committee

1. Participants

2. Steps in the 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