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National Forest Products Tax Credit Sourcebook

A practical screening guide for mills, logging businesses, and wood-products employers

FEDERAL CREDITS + ALL 50 STATES

FOREST
PRODUCTS
PEOPLE
STRONGER
COMMUNITIES

ACROSS AMERICA

Compiled by

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Publication note

Compiled by Steven Bick, Alison Berry and Maura Ross.

Revised September 24, 2026. This edition incorporates reviewer comments, the supplied hyperlink audit and targeted checks of official agency and statutory sources. It contains 167 incentive entries, including seven federal entries, with sections for all 50 states.

This is a screening guide, not a tax opinion or a guarantee of an award. It covers federal programs and all 50 states, but it is not an exhaustive inventory of local incentives, exemptions, grants or financing. A listing does not establish that applications are open or that a particular business, expense or tax return qualifies.

Rates and examples are conditional on the eligibility facts stated. Taxpayer type, project location, timing, tax liability, allocations and agreements can change the usable benefit. Before committing funds or filing a return, confirm the current rules with the administering agency and a qualified tax adviser.

Annual updates and corrections

We intend to update this publication annually. Corrections, suggestions, and additions are welcome and should be emailed to steve@northeastforests.com.

Contents

How to use this sourcebook

Start with the activity, not the equipment budget

Use the national table to find a state, then its program index to find the relevant activity. A business may qualify as a taxpayer while a specific equipment purchase does not. Research, hiring and training credits therefore identify the activity separately from the business sector.

Read the green box first

The green box gives the credit amount or formula. It does not mean guaranteed eligibility or an immediate cash payment. The example then shows either a conditional calculation or a clearly labeled use-of-credit illustration when no reliable project award can be calculated.

Timing is written beside every credit

The amber box states the action or deadline in words. These are cumulative checkpoints, not mutually exclusive categories: a program can require advance approval and a later annual filing. An underway project is not automatically ineligible, and a tax-year credit is not automatically free of certification requirements.

Difficulty	Meaning
1 of 3 - Routine	Primarily employee, expense or tax-return documentation; no negotiated project award.
2 of 3 - Certified	Separate application, certification, location test or substantial supporting records.
3 of 3 - Complex	Negotiation, competitive allocation, major technical review or continuing project compliance.

Difficulty rates administrative effort, not the dollars invested. A high minimum investment is an eligibility condition, not by itself proof of application difficulty. Ratings are editorial screening judgments, not agency classifications.

Interpreting fit and value

Forest-products fit	Meaning
1 of 3 - Specialized	A narrow property, technology, ownership or very-large-project route; ordinary mills should not presume eligibility.
2 of 3 - Conditional	Potential fit depends on specific research, geography, wages, investment, feedstock or other project facts.
3 of 3 - Broad route	A comparatively broad route for eligible forest-products businesses within the program's business class; all program conditions still apply.

A broad fit does not mean the credit is exclusive to forestry, that every logger qualifies, or that all property is eligible. Apply the most restrictive material condition when assessing a project.

Compare actual dollars, not a subjective value score

The former modest/meaningful/major rating is replaced by the formula and the example. A $25,000 benefit may be important to one business and minor to another. Compare the usable amount, timing, compliance cost and risk for your own business.

Distinguish four different amounts

Qualified spending is the accepted cost base. Credit earned is the result of the formula or award. Credit usable this year is the amount allowed against the relevant tax after caps. Cash received is limited to an authorized refund or transfer proceeds; a nonrefundable credit is not a grant.

Read the use rules

A carryforward preserves eligible unused credit for later years; it does not guarantee sufficient future tax. Transferability is a legal permission, not a guaranteed buyer or sale price. Credits can also be reduced or recaptured if commitments are not maintained. Do not assume state and federal incentives can be stacked on identical expenses.

National quick reference

Federal first; states follow alphabetically. This is a navigation table, not a ranking. The detailed entries control; linked state names open each state index.

Jurisdiction	Activities to screen	Page
Idaho	Investment / Jobs; Investment; research and development; Economic Development	93
Illinois	Workforce; Economic Development; Historic Rehabilitation; research and development	99
Indiana	Geographic / Investment; Jobs; Investment; research and development	105
Iowa	Historic Rehabilitation; research and development	111
Kansas	Investment; Workforce; research and development; Rail	114
Kentucky	Historic; Economic Development; Modernization; research and development / Facility	120
Louisiana	Inventory; research and development	126
Maine	Investment; Workforce; Biobased Products; research and development	130
Maryland	Historic; Jobs; Geographic / Investment; research and development	136
Massachusetts	Economic Development; Investment; research and development	143
Michigan	research and development	147
Minnesota	research and development; Historic	149
Mississippi	Brownfield / Jobs; Jobs; Economic Development; Investment; research and development / Workforce; Training	153
Missouri	Jobs; Investment; research and development; Forest-Specific / Biomass	162

Federal Tax Credits

Program	Eligible activity	Page
Carbon Oxide Sequestration Credit (Internal Revenue Code §45Q)	Carbon Capture	13
Clean Electricity Investment Credit (Internal Revenue Code §48E)	Energy	14
Clean Electricity Production Credit (Internal Revenue Code §45Y)	Energy	15
Clean Fuel Production Credit (Internal Revenue Code §45Z)	Clean Fuel	17
Credit for Increasing Research Activities (Internal Revenue Code §41)	research and development	18
Employer-Provided Child Care Credit (Internal Revenue Code §45F)	Workforce	19
Rehabilitation Credit (Internal Revenue Code §47)	Historic Rehabilitation	21

Carbon Oxide Sequestration Credit (Internal Revenue Code §45Q)

Federal Tax Credits | Carbon Capture | FED-CC-001

Credit amount / calculation

Per-metric-ton credit; amount varies by source, capture method, use/storage and wage/apprenticeship compliance.

Business fit and eligible activity

Potentially relevant to unusually large wood-energy or bioprocessing projects that capture and permanently sequester carbon oxide or use it in a qualifying manner. Qualifying production, feedstock or energy technology; ordinary wood residuals are not automatically eligible.

Illustrative business benefit

Calculation illustration only: 10,000 verified eligible metric tons multiplied by an assumed applicable rate of $85 per ton would give $850,000. The $85 rate is not a determination for this project; source type, use/storage, construction dates and labor rules determine the actual rate.

Timing / first action

Check application or certification requirements before incurring the qualifying expense or beginning the qualifying activity.

Refundable	Elective pay can be available, including a five-year election for eligible taxable businesses; preregistration is required.
Transferable	Yes
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[1] Internal Revenue Service - Form 8933 Instructions

Back to Federal Tax Credits Index

Clean Electricity Investment Credit (Internal Revenue Code §48E)

Federal Tax Credits | Energy | FED-ENERGY-001

Credit amount / calculation

Generally 6% base investment credit and up to 30% with prevailing-wage/apprenticeship compliance, plus possible statutory bonuses.

Business fit and eligible activity

Potentially relevant when a forest-products facility owns qualifying zero-emission generation or energy-storage property. Woody biomass is not automatically eligible under the technology-neutral emissions rules. Qualifying production, feedstock or energy technology; ordinary wood residuals are not automatically eligible.

Eligibility and practical use

The first screen is technical: what is being produced, how is it measured, who owns the qualifying property, and does the statute recognize the feedstock or technology? A biomass boiler, combined heat and power project, residuals conversion line, or fuel project should be tested against the exact statutory feedstock and emissions rules rather than the ordinary meaning of "renewable." Registration or certification can be a gating item before production or commitment.

Illustrative business benefit

A wood-products plant develops a $1.25 million qualifying energy project. If the full amount were eligible at the stated 6% base rate, the nominal credit would be $75,000 before wage/apprenticeship rules, bonuses, transfer rules, emissions tests, or other program conditions. The company should not count the credit until the technology and feedstock are confirmed as qualified.

Timing / first action

Check application or certification requirements before incurring the qualifying expense or beginning the qualifying activity.

Refundable	Elective pay only for eligible entities
Transferable	Yes
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[2] Internal Revenue Service - Clean Electricity Investment Credit

Back to Federal Tax Credits Index

Clean Electricity Production Credit (Internal Revenue Code §45Y)

Federal Tax Credits | Energy | FED-ENERGY-002

Credit amount / calculation

Production-based credit beginning at 0.3¢/kWh, with higher rates and bonuses when statutory conditions are satisfied.

Business fit and eligible activity

Alternative to the investment credit for owners/operators of qualifying clean-electricity facilities; potentially relevant to qualifying on-site generation. Qualifying production, feedstock or energy technology; ordinary wood residuals are not automatically eligible.

Eligibility and practical use

This is a specialized credit, but the dollar value can be large when a mill or residuals business is actually developing qualifying energy infrastructure or fuel production. A biomass boiler, combined heat and power project, residuals conversion line, or fuel project should be tested against the exact statutory feedstock and emissions rules rather than the ordinary meaning of "renewable." Registration or certification can be a gating item before production or commitment.

Illustrative business benefit

For an otherwise eligible facility producing and selling 10 million qualifying kilowatt-hours, the unadjusted 0.3-cent base gives $30,000. Inflation adjustments, labor requirements and bonuses change the applicable rate. This illustration does not establish that a biomass facility meets the lifecycle-emissions test.

Timing / first action

Check application or certification requirements before incurring the qualifying expense or beginning the qualifying activity.

Refundable	Elective pay only for eligible entities
Transferable	Yes
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[3] Internal Revenue Service - Clean Electricity Production Credit

Back to Federal Tax Credits Index

Clean Fuel Production Credit (Internal Revenue Code §45Z)

Federal Tax Credits | Clean Fuel | FED-FUEL-001

Credit amount / calculation

Per-gallon or gallon-equivalent credit based on the applicable amount and lifecycle emissions factor; qualifying fuel must be sold by December 31, 2029.

Business fit and eligible activity

Potentially relevant only if a forest-products business actually produces qualifying transportation fuel. Selling chips, pellets or boiler fuel does not itself qualify. Qualifying production, feedstock or energy technology; ordinary wood residuals are not automatically eligible.

Illustrative business benefit

Calculation illustration only: 100,000 qualifying gallons at an assumed final credit rate of $0.50 per gallon would produce $50,000. The assumed rate is not a statutory entitlement; calculate the actual rate from the applicable amount, emissions factor and labor rules.

Timing / first action

Seek approval before signing a purchase order, contract, lease or other binding commitment. Producer registration must be effective at production; credit currently extends through fuel sold by Dec. 31, 2029. Confirm the exact point at which a purchase order, contract, lease, or other binding commitment would make the project ineligible.

Refundable	No
Transferable	Yes
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[4] Internal Revenue Service - Clean Fuel Production Credit

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Credit for Increasing Research Activities (Internal Revenue Code §41)

Federal Tax Credits | research and development | FED-RD-001

Credit amount / calculation

Regular research-credit method or the alternative simplified method. The latter generally equals 14% of current qualified expenses above 50% of the preceding three-year average.

Business fit and eligible activity

A sawmill, secondary manufacturer or biomass business can qualify when it performs genuine technological experimentation to improve a product or process. Routine troubleshooting is not enough. Qualified research activity. Ordinary production, routine quality control and an equipment purchase alone do not qualify.

Illustrative business benefit

Assume qualifying expenses were incurred in each of the preceding three years. Current expenses of $300,000 and a three-year average of $200,000 give ($300,000 - $100,000) x 14% = $28,000 before federal tax limits and the deduction/reduced-credit election. A different rule applies when a preceding year has no qualified expenses.

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Identify the technical uncertainty and start contemporaneous project records before trying to calculate the credit.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 2 of 3 (Conditional).

[5] Internal Revenue Service - Qualified Small Business Payroll Tax Credit for Increasing Research Activities

Back to Federal Tax Credits Index

Employer-Provided Child Care Credit (Internal Revenue Code §45F)

Federal Tax Credits | Workforce | FED-CHILD-001

Credit amount / calculation

For 2026+: 40% of qualified child-care expenditures (50% for eligible small businesses) plus 10% of referral expenditures; cap generally $500,000 or $600,000 for eligible small businesses.

Business fit and eligible activity

Broad employer credit that can apply to logging companies and mills providing or contracting for qualified employee child care; substantially expanded for 2026. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Eligibility and practical use

This is an employer credit rather than a forestry credit, but labor availability is often the constraint that matters most. A mill or logging contractor that subsidizes, contracts for, or establishes qualified child care can turn a workforce expense into a tax benefit. The practical issue is whether the arrangement satisfies the credit rules; an informal stipend or ordinary dependent-care benefit may not.

Illustrative business benefit

A 35-person sawmill contracts for qualified child-care slots and incurs $80,000 of eligible annual cost. If it qualifies for the 50% small-business rate, the child-care portion of the credit would be $40,000 before considering referral expenses and the annual cap. The point is not that every child-care payment qualifies; the arrangement itself must meet the federal rules.

Timing / first action

Tax-year claim: document qualified child-care expenditures and the arrangement with the facility or provider, including ownership or contract terms and any referral expenses. Confirm the expenditure category and applicable annual cap before claiming the credit.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 3 of 3 (Broad route).

[6] Internal Revenue Service - Employer-Provided Child Care Credit, 2026+

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Rehabilitation Credit (Internal Revenue Code §47)

Federal Tax Credits | Historic Rehabilitation | FED-HIST-001

Credit amount / calculation

Generally 20% of qualified rehabilitation expenditures for a certified historic structure, claimed as provided by federal law.

Business fit and eligible activity

A forest-products company rehabilitating a certified historic mill or industrial building for income-producing use may qualify. Eligible property rehabilitation or redevelopment; not the cost of wood supplied to someone else's project.

Illustrative business benefit

For $2 million of certified qualifying rehabilitation expenditures, the 20% credit is $400,000 in total, generally claimed in five equal $80,000 annual installments. Tax limits, basis adjustments, certification and recapture rules still apply.

Timing / first action

Check application or certification requirements before incurring the qualifying expense or beginning the qualifying activity.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[7] Internal Revenue Service - Rehabilitation Tax Credit

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Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] Internal Revenue Service - Form 8933 Instructions

[2] Internal Revenue Service - Clean Electricity Investment Credit

[3] Internal Revenue Service - Clean Electricity Production Credit

[4] Internal Revenue Service - Clean Fuel Production Credit

[5] Internal Revenue Service - Qualified Small Business Payroll Tax Credit for Increasing Research Activities

[6] Internal Revenue Service - Employer-Provided Child Care Credit, 2026+

[7] Internal Revenue Service - Rehabilitation Tax Credit

Alabama

Location-based opportunities

Enterprise-zone incentives may also matter. Check the state income-tax incentive directory for the actual location and business activity; the core entries below are not an exhaustive incentive inventory.

Official directory or program information

Alabama Investment Credit

Alabama | Investment | AL-INV-001

Credit amount / calculation

Up to 1.5% of qualified capital investment annually for up to 10 years, with possible extensions for designated project types.

Business fit and eligible activity

Certified manufacturers can receive multi-year credits for qualified capital investment; useful for larger fixed-facility expansions. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Eligibility and practical use

This is the kind of credit that can matter to a capital-intensive mill even when the project adds only a handful of jobs. Logging equipment deserves a separate eligibility check because mobile harvesting property may be treated differently from machinery used at a manufacturing site. Check the approval deadline before signing a purchase order or contract. A binding commitment made too early can disqualify a project.

Illustrative business benefit

If an approved project has $2 million of qualified investment and its agreement awards 1.5% annually for ten years, the credit is $30,000 per year and $300,000 over the full term. Annual use limits and continuing compliance determine the amount actually realized.

Timing / first action

Seek approval before signing a purchase order, contract, lease or other binding commitment. Confirm the exact point at which a purchase order, contract, lease, or other binding commitment would make the project ineligible.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 2 of 3 (Conditional).

[1] Alabama Department of Revenue - Income Tax Incentives

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Apprenticeship Tax Credit

Alabama | Workforce | AL-APP-001

Credit amount / calculation

Per-apprentice credit subject to state program certification.

Business fit and eligible activity

Potentially useful for mills and logging businesses with registered apprentices. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Check application or certification requirements before incurring the qualifying expense or beginning the qualifying activity.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 2 of 3 (Conditional).

[1] Alabama Department of Revenue - Income Tax Incentives

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Full Employment Act Credit

Alabama | Jobs | AL-JOBS-001

Credit amount / calculation

$1,000 once for each qualifying new job after 12 consecutive months of employment.

Business fit and eligible activity

Small businesses creating qualifying jobs may receive an income-tax credit. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Eligibility and practical use

The business must meet the historical June 9, 2011 existence and 50-employee tests, net employment growth rules, and wages above $10 per hour. This is not a general credit for every newly formed small business.

Illustrative business benefit

An eligible small mill adds three qualifying jobs and retains each worker for 12 consecutive months. The credit is 3 x $1,000 = $3,000, subject to its available tax liability.

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Verify the historical business-size and existence requirements, then document the full year of employment.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 1 of 3 (Routine); forest-products fit 3 of 3 (Broad route).

[1] Alabama Department of Revenue - Income Tax Incentives

Back to Alabama Index

Port Credit

Alabama | Freight | AL-PORT-001

Credit amount / calculation

Discretionary credit based on increased cargo and qualifying project activity.

Business fit and eligible activity

A manufacturer increasing cargo through an Alabama public port may receive a credit tied to port usage and economic activity. Eligible rail or freight activity; ownership, carrier and shipping requirements matter.

Eligibility and practical use

Forest products are freight-heavy, which is why this credit can be more relevant than its narrow name suggests.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Seek approval before signing a purchase order, contract, lease or other binding commitment. Confirm the exact point at which a purchase order, contract, lease, or other binding commitment would make the project ineligible.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[1] Alabama Department of Revenue - Income Tax Incentives

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Veterans Employer Credit

Alabama | Jobs | AL-VET-001

Credit amount / calculation

$2,000 employer credit for qualifying hires; current statutory availability extends through 2028.

Business fit and eligible activity

Broad employer credit for hiring qualifying veterans. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Eligibility and practical use

This is a hiring credit, not an equipment credit. It becomes interesting only when the planned headcount clears the program threshold and the new jobs satisfy wage, hours, location, and retention rules. A logging contractor should confirm that its industry or work location is within the eligible class before counting the jobs. Hiring before the required certification or reservation can jeopardize the credit.

Illustrative business benefit

Two veteran hires who satisfy every program condition generate 2 x $2,000 = $4,000 before the employer tax-liability limit. Hiring two people without the required veteran and employment documentation does not establish a claim.

Timing / first action

Check application or certification requirements before incurring the qualifying expense or beginning the qualifying activity.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 1 of 3 (Routine); forest-products fit 3 of 3 (Broad route).

[1] Alabama Department of Revenue - Income Tax Incentives

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Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] Alabama Department of Revenue - Income Tax Incentives

Alaska

Program	Eligible activity	Page
Veteran Employment Tax Credit	Hiring	30

Veteran Employment Tax Credit

Alaska | Hiring | AK-VET-001

Credit amount / calculation

$2,000 for a qualifying veteran, or $3,000 for a qualifying disabled veteran, with at least 1,560 hours in 12 consecutive months. A separate seasonal rule provides $1,000 after 500 hours in three consecutive months.

Business fit and eligible activity

An eligible forest-products employer can qualify through hiring, even though Alaska has no broad manufacturing investment credit. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Illustrative business benefit

An eligible corporate taxpayer hires one qualifying veteran without a disability and one qualifying disabled veteran; each meets the 1,560-hour test. The combined credit is $2,000 + $3,000 = $5,000 before tax-liability limits.

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Confirm that the employer owes a tax against which this credit can be used; an Alaska business does not qualify merely because it employs a veteran.

Refundable	No
Transferable	No
Carryforward	Confirm the applicable period with the administering agency.

Screening ratings: difficulty 1 of 3 (Routine); forest-products fit 3 of 3 (Broad route).

[1] Alaska Legislature - Revenue Department Indirect Expenditure Report, veteran credit

Back to Alaska Index

Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] Alaska Legislature - Revenue Department Indirect Expenditure Report, veteran credit

Arizona

Program	Eligible activity	Page
Qualified Facility Income Tax Credit	Manufacturing / Investment	32
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Qualified Facility Income Tax Credit

Arizona | Manufacturing / Investment | AZ-QF-001

Credit amount / calculation

Lesser of 10% of qualifying investment, the applicable per-job limit, or $30 million per taxpayer per year. For investments below $2 billion, the job limit is $20,000 per net new job.

Business fit and eligible activity

A qualifying manufacturing facility can receive a substantial credit tied to capital investment and jobs/wages after Arizona Commerce Authority approval. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Eligibility and practical use

At least $250,000 of capital investment is required. The facility must meet manufacturing/headquarters, out-of-state-sales, wage and health-insurance tests. Pre-approval and a subsequent accountant-supported post-approval are required.

Illustrative business benefit

If an approved project has $1.5 million of accepted capital investment and satisfies the employment-based limits, a 10% award is $150,000 total, generally $30,000 in each of five annual installments. Do not count the entire award as a first-year benefit.

Timing / first action

Seek approval before signing a purchase order, contract, lease or other binding commitment. Confirm the exact point at which a purchase order, contract, lease, or other binding commitment would make the project ineligible.

Refundable	Yes; claimed in five equal annual installments after post-approval.
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 2 of 3 (Conditional).

[1] Arizona Commerce Authority - Qualified Facility Tax Credit

Back to Arizona Index

Research and Development Tax Credit

Arizona | research and development | AZ-RD-001

Credit amount / calculation

Through 2030, 24% of the first $2.5 million in the qualifying credit base and 15% above that tier; use the applicable incremental or alternative calculation.

Business fit and eligible activity

Wood-products manufacturers conducting qualified Arizona research and development can earn a state credit. Qualified research activity. Ordinary production, routine quality control and an equipment purchase alone do not qualify.

Eligibility and practical use

A wood-products company can miss this credit by assuming that "research" means white coats and laboratories. In practice, qualifying work can arise in process engineering, product development, automation, drying, recovery, and software. A logging company has a narrower path, but equipment-control, software, or process-development work can sometimes qualify if it satisfies the same technical tests.

Illustrative business benefit

Assume the properly calculated qualifying incremental base is $200,000. At 24%, the credit is $48,000 before use limitations. This is not 24% of all spending labeled engineering.

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Identify the technical uncertainty and start contemporaneous project records before trying to calculate the credit.

Refundable	No for taxable years beginning after December 31, 2025. The former small-employer refund route was repealed; separately evaluate any preserved prior-year amounts under the applicable transition rules.
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 2 of 3 (Conditional).

[2] Arizona Commerce Authority - Research and Development Tax Credit

[3] Arizona Legislature - 2026 chapter 140, sections 8, 20, 26 and 34-36: research-credit refund repeal

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Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] Arizona Commerce Authority - Qualified Facility Tax Credit

[2] Arizona Commerce Authority - Research and Development Tax Credit

[3] Arizona Legislature - 2026 chapter 140, sections 8, 20, 26 and 34-36: research-credit refund repeal

Arkansas

Advantage Arkansas Income Tax Credit

Arkansas | Jobs | AR-ADV-001

Credit amount / calculation

Credit based on new qualifying payroll at the applicable county-tier rate, earned for five years. Use is limited to 50% of annual income tax liability.

Business fit and eligible activity

Job-creation credit for qualifying businesses, including manufacturers, with thresholds varying by location. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Eligibility and practical use

This credit can work for a growing forest-products employer, but it rewards payroll rather than machinery. A project with six new operators may fit; a $4 million modernization that adds one operator may not. A logging contractor should confirm that its industry or work location is within the eligible class before counting the jobs. Hiring before the required certification or reservation can jeopardize the credit.

Illustrative business benefit

Assume the approved calculation produces a $20,000 credit and the mill owes $30,000 of Arkansas income tax. The 50% limit allows $15,000 this year; the remaining $5,000 may be carried forward for nine years.

Timing / first action

Seek approval before signing a purchase order, contract, lease or other binding commitment. Confirm the exact point at which a purchase order, contract, lease, or other binding commitment would make the project ineligible.

Refundable	No
Transferable	No
Carryforward	Nine years after the year earned.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 2 of 3 (Conditional).

[1] Arkansas Economic Development Commission - Job Creation Incentives

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Apprenticeship Tax Credit

Arkansas | Workforce | AR-APP-001

Credit amount / calculation

Per-apprentice credit subject to certification.

Business fit and eligible activity

Registered apprenticeship can create a modest credit for forest-products employers. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Check application or certification requirements before incurring the qualifying expense or beginning the qualifying activity.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 2 of 3 (Conditional).

[2] Arkansas DFA - Business Incentives and Credits

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ArkPlus Income Tax Credit

Arkansas | Investment | AR-ARKPLUS-001

Credit amount / calculation

Generally 10% of qualifying investment, subject to investment/payroll thresholds and pre-project agreement.

Business fit and eligible activity

Large qualifying manufacturing expansions can receive a credit based on qualified investment after a financial-incentive agreement. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Eligibility and practical use

The Executive Director awards this incentive at discretion. A project must satisfy both investment and new-payroll thresholds for its county tier, with investment reached within four years and payroll within 24 months of the agreement.

Illustrative business benefit

A sawmill invests $1.20 million in qualifying production machinery. At 10%, the nominal credit is $120,000 before annual caps, tax-liability limits, carryforward rules, or negotiated adjustments. The company should isolate eligible machinery from buildings, vehicles, land, and other costs that the statute does not treat the same way.

Timing / first action

Seek approval before signing a purchase order, contract, lease or other binding commitment. Confirm the exact point at which a purchase order, contract, lease, or other binding commitment would make the project ineligible.

Refundable	No
Transferable	No
Carryforward	Nine years after the year earned. Annual use generally cannot exceed 50% of income tax liability.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 2 of 3 (Conditional).

[1] Arkansas Economic Development Commission - Job Creation Incentives

Back to Arkansas Index

Arkansas Wood Energy Products and Forest Maintenance Credit

Arkansas | Forest-Specific / Biomass | AR-WOOD-001

Credit amount / calculation

20% of qualifying wood-energy equipment costs for tax years beginning January 1, 2026 or later; certification and an incentive agreement are required.

Business fit and eligible activity

Rare forest-specific credit for very large projects producing qualifying wood-energy products from forest residues. Qualifying production, feedstock or energy technology; ordinary wood residuals are not automatically eligible.

Eligibility and practical use

Act 709 raises the new-project threshold to investment exceeding $1 billion and at least 400 net new employees averaging $60,000 annually. Qualifying expansion projects have separate rules. Highway-licensed vehicles and trailers are excluded; other mobile equipment still must meet the exclusive-use and project tests.

Illustrative business benefit

Within an otherwise qualifying, state-certified project, $10 million of eligible equipment produces a nominal $2 million credit at 20%. A $10 million standalone project does not satisfy the new-project investment threshold.

Timing / first action

Seek approval before signing a purchase order, contract, lease or other binding commitment. Confirm whether the project qualifies under the new-project or expansion-project definition before applying the 20% rate.

Refundable	No
Transferable	Permitted under statutory conditions; confirm certification, annual redemption limits and notices.
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[3] Arkansas General Assembly - Act 709 of 2025, effective for tax years beginning in 2026

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In-House Research Income Tax Credit

Arkansas | research and development | AR-RD-001

Credit amount / calculation

Generally 20% of qualifying in-house research expenditures above the base amount.

Business fit and eligible activity

Qualified approved research performed in Arkansas can generate a state credit. Qualified research activity. Ordinary production, routine quality control and an equipment purchase alone do not qualify.

Eligibility and practical use

Eligible research can take place at a wood-products business. The credit applies to qualifying research expenses, not the purchase price of production equipment. Obtain approval for the research project and document the work and eligible costs.

Illustrative business benefit

A hardwood mill spends $320,000 on a documented project to improve recovery from low-grade logs using scanner changes, controlled test runs, software adjustments, and revised sawing patterns. Assume $200,000 is ultimately treated as the relevant qualified or excess research base. At 20%, the state credit would be about $40,000 before program caps and tax-liability limits. The company would need records showing the uncertainty, alternatives tested, people involved, and results - not simply a year-end estimate of 'engineering time.'

Timing / first action

Check application or certification requirements before incurring the qualifying expense or beginning the qualifying activity.

Refundable	No
Transferable	No
Carryforward	Nine years.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 2 of 3 (Conditional).

[4] Arkansas Economic Development Commission - Research and Development Credits

Back to Arkansas Index

Strategic Value Research and Development Credit

Arkansas | research and development | AR-RD-002

Credit amount / calculation

33% of approved qualified research expenditures, limited to $50,000 per tax year.

Business fit and eligible activity

Potentially larger research credit for a project certified as strategically valuable. Qualified research activity. Ordinary production, routine quality control and an equipment purchase alone do not qualify.

Eligibility and practical use

Eligible research can take place at a wood-products business. The credit applies to qualifying research expenses, not the purchase price of production equipment. Obtain approval for the research project and document the work and eligible costs.

Illustrative business benefit

$200,000 of approved expenses x 33% = $66,000 before the cap. The annual claim is limited to $50,000; confirm the treatment of any unused certified credit under the nine-year carryforward rules.

Timing / first action

Seek approval before signing a purchase order, contract, lease or other binding commitment. Confirm the exact point at which a purchase order, contract, lease, or other binding commitment would make the project ineligible.

Refundable	No
Transferable	No
Carryforward	Nine years.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[4] Arkansas Economic Development Commission - Research and Development Credits

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Targeted Business Research and Development Credit

Arkansas | research and development | AR-RD-003

Credit amount / calculation

Up to 33% of qualifying research expenditures; certification required and transferability may be available.

Business fit and eligible activity

Enhanced research credit for qualifying targeted businesses. Qualified research activity. Ordinary production, routine quality control and an equipment purchase alone do not qualify.

Eligibility and practical use

Eligible research can take place at a wood-products business. The credit applies to qualifying research expenses, not the purchase price of production equipment. Obtain approval for the research project and document the work and eligible costs.

Illustrative business benefit

A hardwood mill spends $320,000 on a documented project to improve recovery from low-grade logs using scanner changes, controlled test runs, software adjustments, and revised sawing patterns. Assume $200,000 is ultimately treated as the relevant qualified or excess research base. At 33%, the state credit would be about $66,000 before program caps and tax-liability limits. The company would need records showing the uncertainty, alternatives tested, people involved, and results - not simply a year-end estimate of 'engineering time.'

Timing / first action

Seek approval before signing a purchase order, contract, lease or other binding commitment. Confirm the exact point at which a purchase order, contract, lease, or other binding commitment would make the project ineligible.

Refundable	No
Transferable	May be sold with agency approval; confirm transfer procedure and restrictions.
Carryforward	Nine years.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[4] Arkansas Economic Development Commission - Research and Development Credits

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Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] Arkansas Economic Development Commission - Job Creation Incentives

[2] Arkansas DFA - Business Incentives and Credits

[3] Arkansas General Assembly - Act 709 of 2025, effective for tax years beginning in 2026

[4] Arkansas Economic Development Commission - Research and Development Credits

California

Broader business incentives

Other programs include exemptions, financing and local support. These are not interchangeable with an operating-company income-tax credit.

Official directory or program information

California Competes Tax Credit

California | Economic Development | CA-COMP-001

Credit amount / calculation

Negotiated award through competitive application cycles.

Business fit and eligible activity

An expanding mill or wood manufacturer can compete for a negotiated income-tax credit based on jobs, investment and strategic value. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Eligibility and practical use

California Competes is a negotiated credit for businesses locating or expanding in California. A mill must present a competitive project and meet the investment and employment commitments in its agreement. The award is allocated across five tax years, not paid automatically when equipment is purchased.

Illustrative business benefit

Assume an executed agreement awards $100,000 over five years in equal installments. That is $20,000 per year, not a $100,000 first-year reduction. This is an assumed negotiated award, not a percentage earned automatically on the project budget.

Timing / first action

Seek approval before starting the overall project, including site work or construction. Contact the administering agency and secure the required approval before the project is publicly or contractually committed.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 2 of 3 (Conditional).

[1] California FTB - Business Credits

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California Research Credit

California | research and development | CA-RD-001

Credit amount / calculation

Regular method: 15% of qualified expenses above the base, plus a corporate basic-research component. For 2025 onward, an alternative simplified method generally uses 3% of expenses above half the preceding three-year average.

Business fit and eligible activity

Qualified California research by a wood-products manufacturer may produce a state credit. Qualified research activity. Ordinary production, routine quality control and an equipment purchase alone do not qualify.

Illustrative business benefit

Under the regular method, $200,000 of accepted California research expenses above the statutory base produces $30,000 at 15%, before tax-use limits. Do not substitute the federal 14% simplified rate for the California rate.

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Identify the technical uncertainty and start contemporaneous project records before trying to calculate the credit.

Refundable	No
Transferable	No
Carryforward	Unused credit may be carried forward until exhausted, subject to annual use limitations.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 2 of 3 (Conditional).

[2] California Franchise Tax Board - California Research Credit

Back to California Index

New Employment Credit

California | Jobs / Geographic | CA-NEC-001

Credit amount / calculation

35% of qualified wages within the statutory wage band, multiplied by the applicable net-employment-growth percentage.

Business fit and eligible activity

Qualifying hires in designated geographic areas can generate credits when reservations are timely. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Eligibility and practical use

This is a wage credit, not an equipment credit. Qualified wages may continue for 60 months after the original hire, provided program requirements are met.

Illustrative business benefit

Assume a qualifying worker has $10,000 of wages within the creditable band and the employer has enough net growth for a 100% applicable percentage. The credit is $10,000 x 35% = $3,500. A 50% applicable percentage would reduce it to $1,750.

Timing / first action

Request the tentative credit reservation within 30 days after completing the required new-hire report; check the designated area and employee category.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[3] California Franchise Tax Board - New Employment Credit

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Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] California FTB - Business Credits

[2] California Franchise Tax Board - California Research Credit

[3] California Franchise Tax Board - New Employment Credit

Colorado

Additional enterprise-zone categories

Check the enterprise-zone directory for health-insurance, agricultural-processing and vacant-building incentives where relevant. An advanced-industry investor credit belongs to the qualifying investor, not automatically to the mill.

Official directory or program information

Enterprise Zone Investment Tax Credit

Colorado | Investment | CO-EZ-INV-001

Credit amount / calculation

Three percent of qualified investment in eligible property first placed in service in an enterprise zone. For credits allowed beginning in tax years commencing on or after January 1, 2026, the total credit generated is capped at $2 million per taxpayer unless the Economic Development Commission grants the statutory waiver. This generation cap is separate from the annual use limits.

Without a waiver or special statutory exception, the annual amount used is limited by the credit available, remaining tax liability, and the lesser of:

- $750,000, subject to the separate treatment of specified pre-2014 carryovers; or
- the first $5,000 of actual tax liability, plus 50% of actual liability exceeding $5,000.

For the percentage calculation, actual tax liability is calculated before credits. Other credits can still affect the remaining liability available to absorb this credit. These are statutory limits, not a routinely negotiated credit rate.

Business fit and eligible activity

Qualifying new sawmill or wood-products production machinery can fit. The investment base must satisfy the older federal investment-credit provisions specifically incorporated by Colorado law. Eligible property must be depreciable and have a useful life of at least three years; property fully expensed under the incorporated §179 rule does not qualify. Do not treat the whole cost of land, buildings, vehicles, or used-equipment purchases as qualified machinery without applying those rules.

Ordinary qualifying property must be used solely and exclusively in an enterprise zone for at least one year from first placement in service. A logging company's zone mailing address does not qualify equipment used at cutting sites outside a zone. If the one-year condition fails after a return has claimed the credit, Rule 39-30-104(4) requires an amended return rescinding the credit.

Commercial vehicles are a separate case. The statute provides a specially certified, allocation-limited 1.5% route for specified new heavy commercial vehicles meeting the model-year, 54,000-pound, Colorado registration, and zone-base requirements. Do not include a logging truck in the ordinary 3% machinery example or assume an allocation is available. For tax years beginning on or after January 1, 2027, the new statutory exclusion for these specified heavy vehicles applies; the special vehicle subsection is repealed effective December 31, 2026.

Timing / first action

Obtain annual enterprise-zone precertification before the qualifying activity. The investment rule specifically disallows property acquired, or expenses paid or incurred, before submission of the precertification form. Section 39-30-103(7) describes qualifying activity after the administrator executes the form through the end of that income tax year. Complete precertification before acquiring property or incurring costs, then obtain the applicable certification and file the credit with the tax return. Placing an already-purchased machine in service later does not cure missing precertification.

Using the credit

• Refundable: No for the ordinary 2026 production-machinery example. Separate statutory exceptions exist. A renewable-electricity investment refund election resumes for qualifying investments placed in service on or after January 1, 2027; it is not a general refund of mill equipment credits.

• Transferable: Not generally saleable to an unrelated taxpayer. Entity allocations and qualifying lessor/lessee treatment are separate questions, not an open-market transfer right.

• Carryforward: Unused ordinary current-year investment credit can be carried to the following 14 income tax years, subject to annual use limits. Do not apply older or renewable-energy carryforward periods indiscriminately.

Illustrative business benefit

A precertified sawmill places $1,500,000 of fully qualifying new production machinery in service in 2026 and satisfies the one-year zone-use rule. The generated credit is $1,500,000 × 3% = $45,000, below the $2 million generation cap. Assume $60,000 of Colorado income tax liability before credits, no competing credits, no prior carryovers, and no waiver. The percentage-based annual limit is $5,000 + 50% × ($60,000 − $5,000) = $32,500, below $750,000. The mill uses $32,500 in the first year and carries forward $12,500, subject to the 14-year period and future annual limits. The $45,000 generated credit is not a $45,000 first-year cash refund.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 2 of 3 (Conditional).

[1] Colorado General Assembly - 2026 Title 39, sections 39-30-103 through 39-30-105.5, pages 1732-1756

[2] Colorado Secretary of State - Enterprise Zone Regulations, 1 CCR 201-13: current-version listing. Select March 30, 2022; Rules 39-30-104 and 39-30-105.1, pages 2-6

[3] Colorado General Assembly - 2026 chapter 364, sections 30-32 and 42, including pages 2215-2217

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Enterprise Zone Job Training Credit

Colorado | Workforce | CO-EZ-TRAIN-001

Credit amount / calculation

Twelve percent of qualifying investment in a structured training or basic-education program that improves the job skills of the taxpayer's employees working predominantly within an enterprise zone. There is no statutory per-worker cap under this provision. Eligible training is not limited to incumbent workers learning new machinery.

Business fit and eligible activity

A mill's structured training in scanner operation, kiln controls, maintenance, or other job skills may qualify. The training can take place on or off site and can be conducted by the employer or another entity. Eligible statutory costs include training-staff wages or fees, course contracts, supplies, expensed equipment, temporary space rental, travel, and other qualifying training expenses. Certain facilities and capital equipment used entirely within the zone primarily for training can qualify when the same costs are not claimed under the investment credit.

The employer must substantiate the program, employee participation, where the employees predominantly work, and the cost allocation. Ordinary production equipment does not become a training expense merely because employees learn to operate it. Keep ordinary payroll separate from the documented training-staff and program costs; do not assume every wage paid while an employee attends instruction qualifies. Likewise, do not categorically exclude basic education or orientation solely because it is not retraining on new technology; apply the structured job-skills test.

Timing / first action

Complete annual zone precertification before undertaking the activity for which the credit will be claimed. Obtain certification of the qualifying activity and costs for the tax-year claim. Training can occur outside the zone, but the employees must meet the predominantly-in-zone work requirement.

Using the credit

• Refundable: No ordinary refund entitlement is established for this training credit.

• Transferable: No general sale/transfer authority identified; ordinary pass-through allocation is a different issue.

• Carryforward: No carryforward period is stated for current Job Training Investment Tax Credits. Do not apply the 2026 14-year investment-credit rule to this credit.

Current statutory treatment

The 14-year paragraph added in 2026 expressly applies to the subsection (1) Enterprise Zone Investment Credit; the enacted bill summary likewise describes an investment and renewable-energy rule. This guide therefore does not apply 14 years to job-training credits. Earlier state guidance addressed unused job-training credits differently. Taxpayers with an unexpired legacy balance should confirm its treatment under current filing guidance.

Illustrative business benefit

A precertified mill pays $45,000 in documented qualifying training-provider fees, training-staff costs, and supplies. The credit is $45,000 × 12% = $5,400. Assume certification is obtained and $6,000 of eligible Colorado income tax remains available to absorb it. The mill uses the full $5,400 in the current year. Do not assign value to an unused balance without applicable Department of Revenue guidance.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 2 of 3 (Conditional).

[1] Colorado General Assembly - 2026 Title 39, section 39-30-104, pages 1740-1749

[2] Colorado Secretary of State - Enterprise Zone Regulations, 1 CCR 201-13: current rule and editor's notes

[3] Colorado General Assembly - HB26-1289 enacted summary and 2026 chapter 364, section 30

[5] Colorado Department of Revenue - Enterprise Zone Tax Guide, revised April 2026, Part 4

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Enterprise Zone New Employee Credit

Colorado | Jobs | CO-EZ-JOBS-001

Credit amount / calculation

The base credit is $1,100 for each qualifying additional business-facility employee, with the statutory averaging and proration rules. For an established year-round facility, calculate the average of the qualifying employee counts on the last business day of each month and compare it with the highest qualifying annual average in any prior year. A year-end headcount or a simple count of hires is insufficient. Replacement facilities and acquired continuing businesses have additional baseline rules. At least one qualifying business-facility employee is required.

The statute includes regular full-time employees, specified part-time employees working at least 20 hours per week, and qualifying seasonal employees. Apply these statutory employee definitions rather than assuming a full-time-equivalent-only test. The base/additional-employment credit does not recur indefinitely for the same unchanged workforce; the statute limits it to 12 consecutive months per additional employee and measures subsequent growth above the earlier high.

Business fit and eligible activity

A qualifying permanent mill or wood-products facility in a zone can fit. A logging employer must establish the required facility and qualifying employee duties; temporary structures or mobile units alone are not a qualifying facility unless associated with a qualifying permanent structure. Employee work outside the zone generally requires adjustment. A specific statutory rule can deem qualifying commercial-driver employees to work wholly within the zone when its requirements are met. A zone headquarters alone does not qualify every employee working at distant harvest sites.

Additional credits, only when their own tests are satisfied

Component	Amount / condition	Ordinary unused-credit period
Base new employee	$1,100 per qualifying additional employee	Five years
Enhanced rural zone addition	Additional $2,000 per qualifying additional employee	Seven years
Agricultural processing addition	Additional $500; business must add value to an agricultural commodity through manufacturing or processing	Five years
Additional enhanced-rural agricultural processing amount	Further $500 when both tests are met	Seven years
Employer health insurance	$1,000 per qualifying insured business-facility employee for any two of the first ten full tax years in the zone; employer contributes at least 50% of qualifying coverage cost	Five years

Do not automatically award the agricultural additions to a logging business or classify wood as an agricultural commodity without support. The rule excludes mere harvesting, transporting, storage, and distribution without the required substantial transformation. For tax years beginning on or after January 1, 2027, an employer with 50 or more business-facility employees at any time in the year cannot claim the health-insurance component. The base credit is not itself eliminated by that new insurance limitation.

Timing / first action

Precertify annually before qualifying hiring/activity. Months beginning before precertification cannot create an increase above the prior high under the rule. Certify the year-end claim and retain monthly payroll, location, prior-operator records when relevant, and separate add-on calculations. The base formula follows the statutory employment tests; additional credit components have their own requirements.

Using the credit

Ordinary credits are nonrefundable and subject to available Colorado income tax; special statutory project provisions are not assumed. The base and specified ordinary components have five-year carryforwards; the enhanced-rural components have seven-year carryforwards, used in the earliest eligible years. The statute permits pass-through entity allocation; that does not establish a right to sell credits to outsiders.

Illustrative business benefit

A precertified pallet plant has a prior highest qualifying annual average of 20 employees. In 2026 its qualifying month-end count is 28 in each of the 12 months, producing an annual average of 28 and an increase of eight. With no add-ons, the base credit is (28 − 20) × $1,100 = $8,800. Assume $6,000 of remaining eligible income tax liability. The first-year saving is $6,000, and $2,800 carries forward for up to five years. If the eight employees had started halfway through the year, the qualifying annual increase would be smaller; do not use the full $8,800 merely because eight people were hired.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 2 of 3 (Conditional).

[1] Colorado General Assembly - 2026 Title 39, sections 39-30-103 through 39-30-105.5, pages 1732-1756

[2] Colorado Secretary of State - Enterprise Zone Regulations, 1 CCR 201-13: current-version listing. Select March 30, 2022; Rules 39-30-104 and 39-30-105.1, pages 2-6

[3] Colorado General Assembly - 2026 chapter 364, sections 30-32 and 42, including pages 2215-2217

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Enterprise Zone Research and Development Credit

Colorado | Research and Development | CO-EZ-RD-001

Credit amount / calculation

For tax years beginning before January 1, 2027, the credit is 3% of qualifying research-and-experimental expenditures in the zone exceeding the average of the taxpayer's actual qualifying expenditures in the same area during the immediately preceding two income tax years. The statute references federal §174 for these years. Use the state-law expenditure definition and location rules; do not substitute total engineering spending or automatically copy the federal §41 credit base.

Twenty-five percent of each generated credit is scheduled for use in the initial year and each of the following three years. The 2026 provision allows unused credit to carry forward until used, subject to the installment and liability rules. "Four years" describes the scheduled release of the credit, not a guarantee of complete use within four years.

Business fit and eligible activity

A mill or forest-products manufacturer may qualify through properly substantiated research into products or processes conducted in the zone. A logging business needs qualifying research of its own; an ordinary equipment purchase or normal production activity is insufficient. The statute excludes expenditures funded with money made available under federal or state law. Capital acquisition cost is not automatically an eligible research expense; apply the incorporated research-expense treatment rather than treating a machine's purchase price as the credit base.

Timing / first action

Complete annual precertification before the qualifying research activity. Document the research, its location, the current and preceding two years' costs, funding sources, and each year's credit installments and unused balances. Obtain the applicable certification for the tax claim. No separate advance equipment- purchase approval applies to this research credit.

Using the credit

Ordinary use is nonrefundable and limited by tax liability and the statutory installment schedule. No general sale/transfer authority is established for this ordinary credit. For the 2026 credit, unused amounts may carry forward until used under §39-30-105.5(2); do not replace that rule with a four-year expiration.

Illustrative business benefit

Assume a precertified wood-products manufacturer has $250,000 and $350,000 of qualifying research expenditures in the relevant zone area in the preceding two years, and $500,000 in 2026. The baseline is ($250,000 + $350,000) ÷ 2 = $300,000. The increase is $200,000, giving a $6,000 credit at 3%. The scheduled amount from this credit is $1,500 in 2026 and $1,500 in each of the next three years. Assuming sufficient liability in each year, the business uses $1,500 in the first year and $6,000 across four years. Insufficient liability can postpone actual use; it does not turn the $6,000 into a first-year refund.

Enacted change for 2027

For tax years beginning on or after January 1, 2027, §39-30-105.5(1.5) requires at least $150,000 of qualifying research-and-experimental expenditures and references federal §174A. The 3% rate and preceding-two-year comparison remain. This is a minimum current-year expenditure threshold, not a requirement for a $150,000 increase. Do not apply it retroactively to 2026. The December 31, 2033 repeal of the older subsection does not repeal the entire program.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 1 of 3 (Specialized).

[1] Colorado General Assembly - 2026 Title 39, sections 39-30-103 through 39-30-105.5, pages 1732-1756

[2] Colorado Secretary of State - Enterprise Zone Regulations, 1 CCR 201-13: current-version listing. Select March 30, 2022; Rules 39-30-104 and 39-30-105.1, pages 2-6

[3] Colorado General Assembly - 2026 chapter 364, sections 30-32 and 42, including pages 2215-2217

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Job Growth Incentive Tax Credit

Colorado | Jobs | CO-JGITC-001

Credit amount / calculation

Up to 50% of employer-paid federal Social Security and Medicare taxes associated with approved net new jobs, over an eight-year period.

Business fit and eligible activity

Large expansions can negotiate a performance-based credit tied to new jobs and payroll. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Eligibility and practical use

A mill expansion can meet the capital side of a project easily and still miss a jobs credit because the headcount is too small. That is why this credit should be tested against the actual staffing plan, not the size of the equipment purchase. A logging contractor should confirm that its industry or work location is within the eligible class before counting the jobs. Hiring before the required certification or reservation can jeopardize the credit.

Illustrative business benefit

If an approved project creates 20 qualifying jobs and the eligible employer payroll-tax amount is $91,800 for the year, the 50% calculation is $45,900. The reduced five-job threshold applies in an enhanced rural enterprise zone, not every enterprise zone.

Timing / first action

Seek approval before starting the overall project, including site work or construction. Contact the administering agency and secure the required approval before the project is publicly or contractually committed.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[4] Colorado Office of Economic Development - Job Growth Incentive Tax Credit

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Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] Colorado General Assembly - 2026 Title 39, sections 39-30-103 through 39-30-105.5, pages 1732-1756

[2] Colorado Secretary of State - Enterprise Zone Regulations, 1 CCR 201-13: current-version listing. Select March 30, 2022; Rules 39-30-104 and 39-30-105.1, pages 2-6

[3] Colorado General Assembly - 2026 chapter 364, sections 30-32 and 42, including pages 2215-2217

[4] Colorado Office of Economic Development - Job Growth Incentive Tax Credit

[5] Colorado Department of Revenue - Enterprise Zone Tax Guide, revised April 2026, Part 4

Connecticut

Fixed Capital Investment Credit

Connecticut | Investment | CT-FCI-001

Credit amount / calculation

5% of eligible fixed-capital investment.

Business fit and eligible activity

Credit for qualifying fixed capital acquired by a Connecticut business. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Eligibility and practical use

The property must meet the useful-life, acquisition and Connecticut-use tests. Do not claim another credit for the same investment. Disposal or removal before the required holding period can trigger recapture.

Illustrative business benefit

$600,000 of qualifying fixed capital x 5% = $30,000 before the annual tax-liability limit. Mobile transportation property, land, buildings and inventory are excluded.

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Get a written answer on which property is qualified - especially buildings, installation, software, used equipment, vehicles, and mobile machinery.

Refundable	No
Transferable	No
Carryforward	Five succeeding income years.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 2 of 3 (Conditional).

[1] Connecticut Department of Revenue Services - Fixed Capital Investment Credit

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Human Capital Investment Credit

Connecticut | Workforce | CT-HC-001

Credit amount / calculation

10% of eligible training and other qualifying human-capital costs; 25% for qualifying child-care investments.

Business fit and eligible activity

Qualified training and human-capital spending can earn a credit. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Eligibility and practical use

Eligible costs include approved categories of training, education and child care. Employee wages earned during training, payroll taxes and fringe benefits are not eligible training expenditures. Do not claim two credits for the same investment.

Illustrative business benefit

A mill incurs $40,000 in eligible training costs and $20,000 in eligible child-care subsidies. The credit is $4,000 + $5,000 = $9,000 before the tax-liability limit.

Timing / first action

Tax-year claim: document eligible training, education, and child-care expenditures and meet any applicable certification requirements. Separate qualifying program costs from employee wages, payroll taxes, and fringe benefits that are not eligible training expenditures.

Refundable	No
Transferable	No
Carryforward	Five succeeding income years; no carryback.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 2 of 3 (Conditional).

[2] Connecticut Department of Revenue Services - Human Capital Investment Credit

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Machinery and Equipment Expenditure Credit

Connecticut | Equipment | CT-ME-001

Credit amount / calculation

10% of the increase in eligible machinery and equipment spending for employers with no more than 250 Connecticut employees; 5% for 251-800 employees.

Business fit and eligible activity

Manufacturers can obtain a credit tied to qualifying machinery and equipment expenditures. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Eligibility and practical use

Use qualifying machinery costs and the preceding year comparison. Transportation property, separately purchased software and construction equipment are excluded. Do not assume electrical work or installation is part of the credit base.

Illustrative business benefit

A 100-employee mill spends $700,000 on eligible machinery this year and $200,000 last year. The incremental credit is ($700,000 - $200,000) x 10% = $50,000, not 10% of the entire purchase.

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Get a written answer on which property is qualified - especially buildings, installation, software, used equipment, vehicles, and mobile machinery.

Refundable	No
Transferable	No
Carryforward	None; no carryback.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 3 of 3 (Broad route).

[3] Connecticut Department of Revenue Services - Machinery and Equipment Expenditure Credit

Back to Connecticut Index

Manufacturing Apprenticeship Training Credit

Connecticut | Workforce | CT-APP-001

Credit amount / calculation

Up to $7,500 per eligible manufacturing apprentice, limited to 50% of actual wages.

Business fit and eligible activity

Manufacturers employing qualified registered apprentices can earn a credit. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Eligibility and practical use

The registered manufacturing apprenticeship must last 4,000-8,000 hours (two to four years), and the apprentice must meet the full-time work requirement. Registration and certification are required; informal training is insufficient.

Illustrative business benefit

Two qualifying apprentices each earn $12,000 in eligible wages. Each credit is the lesser of $7,500 or $6,000, giving $12,000 total.

Timing / first action

Check application or certification requirements before incurring the qualifying expense or beginning the qualifying activity.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 2 of 3 (Conditional).

[4] United States Department of Labor - State Apprenticeship Tax Credits

Back to Connecticut Index

Research and Development Credit

Connecticut | research and development | CT-RD-001

Credit amount / calculation

Qualified small businesses generally calculate a 6% tentative credit on eligible Connecticut research expenses; other companies use a tiered schedule. Annual use is restricted.

Business fit and eligible activity

Qualified Connecticut research and development can generate a corporate credit. Qualified research activity. Ordinary production, routine quality control and an equipment purchase alone do not qualify.

Eligibility and practical use

The gross-income test for the 6% rate is $100 million, while the general exchange test uses $70 million. Coordinate this credit with the separate incremental research credit to avoid double counting.

Illustrative business benefit

$300,000 of accepted expenses at 6% gives an $18,000 tentative credit. The one-third annual-use rule would limit that year's portion to $6,000 before further tax-liability limits. A qualifying no-tax-liability small business may instead elect a discounted exchange.

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Apply the proper small-business test, eligible expense definition and annual-use calculation.

Refundable	Conditional exchange, generally at 65%, for a qualifying small business with no tax liability.
Transferable	No
Carryforward	15 years for credits earned in income years beginning in 2021 or later.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 2 of 3 (Conditional).

[5] Connecticut Department of Revenue Services - Nonincremental Research Expenses Credit

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Research and Experimental Expenditures Credit

Connecticut | research and development | CT-RE-001

Credit amount / calculation

20% of Connecticut research and experimental expenditures above the preceding income year.

Business fit and eligible activity

Separate credit for increases in qualifying research and experimental spending. Qualified research activity. Ordinary production, routine quality control and an equipment purchase alone do not qualify.

Eligibility and practical use

For forest products, research credits usually live on the mill floor rather than in a laboratory. Scanner settings, drying schedules, process-control changes, product testing, and equipment modifications can matter when the work is experimental rather than routine. A logging company has a narrower path, but equipment-control, software, or process-development work can sometimes qualify if it satisfies the same technical tests.

Illustrative business benefit

Qualified expenditures of $300,000 this year versus $200,000 last year produce ($300,000 - $200,000) x 20% = $20,000. At the standard 65% small-business exchange rate, an eligible taxpayer with no tax liability could receive $13,000 instead of carrying that credit forward.

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Identify the technical uncertainty and start contemporaneous project records before trying to calculate the credit.

Refundable	Conditional exchange for eligible small businesses, generally at 65% of credit value; not an automatic full refund.
Transferable	No
Carryforward	15 successive income years; no carryback.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 2 of 3 (Conditional).

[6] Connecticut Department of Revenue Services - Incremental Research and Experimental Credit

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Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] Connecticut Department of Revenue Services - Fixed Capital Investment Credit

[2] Connecticut Department of Revenue Services - Human Capital Investment Credit

[3] Connecticut Department of Revenue Services - Machinery and Equipment Expenditure Credit

[4] United States Department of Labor - State Apprenticeship Tax Credits

[5] Connecticut Department of Revenue Services - Nonincremental Research Expenses Credit

[6] Connecticut Department of Revenue Services - Incremental Research and Experimental Credit

Delaware

Blue Collar Jobs Act Credits

Delaware | Investment / Jobs | DE-BCJA-001

Credit amount / calculation

$500 per qualifying employee plus $500 per $100,000 of qualifying investment, generally for ten years; annual credit use limited to 50% of tax liability.

Business fit and eligible activity

Qualified manufacturing expansions creating jobs and facility investment can receive state credits after approval. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Illustrative business benefit

An eligible mill invests $400,000 and adds five qualifying jobs. The annual calculation is 5 x $500 + 4 x $500 = $4,500. Over ten compliant years that is $45,000 before tax-liability limits.

Timing / first action

Seek approval before signing a purchase order, contract, lease or other binding commitment. Meet the minimum five-job and $200,000 investment tests (at least $40,000 per qualifying employee), and obtain approval before claiming.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 2 of 3 (Conditional).

[1] Delaware Division of Revenue - Blue Collar Jobs Act

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Research and Development Tax Credit

Delaware | research and development | DE-RD-001

Credit amount / calculation

Regular method: 10% of Delaware research expenses above the base, or 20% for a qualifying small business. Alternatively, use 50% (100% for a qualifying small business) of the apportioned federal simplified credit.

Business fit and eligible activity

Qualified Delaware research can generate a state credit for a wood-products manufacturer. Qualified research activity. Ordinary production, routine quality control and an equipment purchase alone do not qualify.

Eligibility and practical use

For forest products, research credits usually live on the mill floor rather than in a laboratory. Scanner settings, drying schedules, process-control changes, product testing, and equipment modifications can matter when the work is experimental rather than routine. A logging company has a narrower path, but equipment-control, software, or process-development work can sometimes qualify if it satisfies the same technical tests.

Illustrative business benefit

An eligible small mill has $200,000 of accepted Delaware research expenses above the regular-method base. Its credit is $40,000 at 20%. If $15,000 offsets eligible tax, the remaining approved $25,000 is refundable.

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Identify the technical uncertainty and start contemporaneous project records before trying to calculate the credit.

Refundable	Yes; approved unused credit is refunded.
Transferable	No
Carryforward	Approved unused current credit is refundable rather than dependent on a carryforward.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 2 of 3 (Conditional).

[2] Delaware Code, Title 30, Sections 2070-2075 - Research Credit

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Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] Delaware Division of Revenue - Blue Collar Jobs Act

[2] Delaware Code, Title 30, Sections 2070-2075 - Research Credit

Florida

Project and investor incentives

Large designated projects and qualified investment funds have separate capital-investment, new-markets and rural-community programs. A financing recipient must not claim an investor credit as its own equipment credit.

Official directory or program information

Florida Research and Development Tax Credit

Florida | research and development | FL-RD-001

Credit amount / calculation

Generally 10% of Florida qualified research expenses over the base amount, subject to annual cap/proration and liability limits.

Business fit and eligible activity

Certified qualified-target-industry businesses claiming the federal research credit can apply for Florida's capped credit. Qualified research activity. Ordinary production, routine quality control and an equipment purchase alone do not qualify.

Eligibility and practical use

A wood-products company can miss this credit by assuming that "research" means white coats and laboratories. In practice, qualifying work can arise in process engineering, product development, automation, drying, recovery, and software. A logging company has a narrower path, but equipment-control, software, or process-development work can sometimes qualify if it satisfies the same technical tests. This program also has an advance procedural step, so the technical work should not begin on the assumption that a later application will cure the timing issue.

Illustrative business benefit

A hardwood mill spends $320,000 on a documented project to improve recovery from low-grade logs using scanner changes, controlled test runs, software adjustments, and revised sawing patterns. Assume $200,000 is ultimately treated as the relevant qualified or excess research base. At 10%, the state credit would be about $20,000 before program caps and tax-liability limits. The company would need records showing the uncertainty, alternatives tested, people involved, and results - not simply a year-end estimate of 'engineering time.'

Timing / first action

Check application or certification requirements before incurring the qualifying expense or beginning the qualifying activity.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[1] Florida Department of Revenue - Corporate Income Tax Incentives

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Individuals with Unique Abilities Tax Credit

Florida | Hiring | FL-ABILITY-001

Credit amount / calculation

$1 per eligible hour, up to $1,000 per employee and $10,000 per taxpayer annually.

Business fit and eligible activity

Eligible employers can receive a hiring-related credit for employees with qualifying physical or intellectual impairments. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Illustrative business benefit

Four qualifying employees each work at least 1,000 eligible hours. The credit is 4 x $1,000 = $4,000, subject to state approval and allocation.

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Taxable years beginning during 2024-2026; do not assume extension beyond 2026. Confirm employee qualification, the six-month employment condition and approval on Form F-11992.

Refundable	No
Transferable	No
Carryforward	Five taxable years.

Screening ratings: difficulty 1 of 3 (Routine); forest-products fit 2 of 3 (Conditional).

[2] Florida Department of Revenue - Individuals with Unique Abilities, Publication 24C01-01

Back to Florida Index

Rural Job Tax Credit

Florida | Hiring | FL-RURAL-001

Credit amount / calculation

$1,000-$1,500 per qualifying employee; maximum $500,000 per business in a calendar year.

Business fit and eligible activity

Eligible manufacturing employers in designated rural counties can use job creation to reduce state tax. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Illustrative business benefit

If a certified rural manufacturing expansion qualifies for ten employees at $1,000 each, the credit is $10,000. At a certified $1,500 rate, it would be $15,000. Check the location and minimum-job rules before applying.

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Obtain eligibility approval from the Department of Commerce and confirm which state tax will receive the credit.

Refundable	No
Transferable	No
Carryforward	Five years.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 2 of 3 (Conditional).

[3] Florida Department of Revenue - Corporate Tax Incentives, Rural Job Credit

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Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] Florida Department of Revenue - Corporate Income Tax Incentives

[2] Florida Department of Revenue - Individuals with Unique Abilities, Publication 24C01-01

[3] Florida Department of Revenue - Corporate Tax Incentives, Rural Job Credit

Georgia

Beyond income-tax credits

Manufacturing sales-tax exemptions can reduce equipment, repair, materials or energy costs when the specific exemption tests are met. Evaluate them separately from the credits below.

Official directory or program information

Job Tax Credit

Georgia | Jobs | GA-JOBS-001

Credit amount / calculation

Per-job amount varies by county tier and designation.

Business fit and eligible activity

Manufacturers can earn tiered per-job credits, with lower thresholds in distressed counties. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Eligibility and practical use

This credit can work for a growing forest-products employer, but it rewards payroll rather than machinery. A project with six new operators may fit; a $4 million modernization that adds one operator may not. A logging contractor should confirm that its industry or work location is within the eligible class before counting the jobs.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Test the actual hiring plan against the net-new-job, wage, hours, location, and retention rules before assigning value to the credit.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 3 of 3 (Broad route).

[1] Georgia Department of Revenue - Tax Credits

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Manufacturer's Investment Tax Credit

Georgia | Investment | GA-INV-001

Credit amount / calculation

Credit percentage and thresholds vary by county tier and investment.

Business fit and eligible activity

Existing manufacturers making qualifying facility/equipment investments can earn a capital credit. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Eligibility and practical use

For a mill owner, the practical question is what property the statute treats as qualified investment. Production machinery is usually the first place to look; buildings, electrical work, software, mobile equipment, and used machinery require closer reading. Logging equipment deserves a separate eligibility check because mobile harvesting property may be treated differently from machinery used at a manufacturing site.

Illustrative business benefit

A sawmill is replacing a headrig and adding scanning, material handling, and electrical controls in a project of roughly $2 million. The credit calculation would be based only on the costs the program recognizes as qualified investment. Before issuing purchase orders, the mill should obtain a written view on whether installation, electrical work, used equipment, and software are included.

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Get a written answer on which property is qualified - especially buildings, installation, software, used equipment, vehicles, and mobile machinery.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 3 of 3 (Broad route).

[1] Georgia Department of Revenue - Tax Credits

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Optional Investment Tax Credit

Georgia | Investment | GA-OPTINV-001

Credit amount / calculation

Tier 1: 10% with at least $5 million invested; Tier 2: 8% with $10 million; Tiers 3-4: 6% with $20 million. Annual use depends on tax-liability growth.

Business fit and eligible activity

Large manufacturing investments can elect a high-value alternative credit. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Eligibility and practical use

For a mill owner, the practical question is what property the statute treats as qualified investment. Production machinery is usually the first place to look; buildings, electrical work, software, mobile equipment, and used machinery require closer reading. Logging equipment deserves a separate eligibility check because mobile harvesting property may be treated differently from machinery used at a manufacturing site.

Illustrative business benefit

A qualifying Tier 1 mill invests $5 million, giving an aggregate credit ceiling of $500,000. The annual claim is limited by the statutory tax-liability calculation; the $500,000 is not an immediate payment.

Timing / first action

Check application or certification requirements before incurring the qualifying expense or beginning the qualifying activity. Credits generated in tax years beginning January 1, 2025 or later have a five-year claim period. Obtain approval and compare the regular and optional investment credits before making an irrevocable election.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[2] Georgia Department of Revenue - Optional Investment Tax Credit

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Research Tax Credit

Georgia | research and development | GA-RD-001

Credit amount / calculation

10% of excess qualified research expenses over the Georgia base amount, subject to use limits.

Business fit and eligible activity

Georgia manufacturers can claim a credit for increased qualified research. Qualified research activity. Ordinary production, routine quality control and an equipment purchase alone do not qualify.

Eligibility and practical use

A wood-products company can miss this credit by assuming that "research" means white coats and laboratories. In practice, qualifying work can arise in process engineering, product development, automation, drying, recovery, and software. A logging company has a narrower path, but equipment-control, software, or process-development work can sometimes qualify if it satisfies the same technical tests.

Illustrative business benefit

A hardwood mill spends $320,000 on a documented project to improve recovery from low-grade logs using scanner changes, controlled test runs, software adjustments, and revised sawing patterns. Assume $200,000 is ultimately treated as the relevant qualified or excess research base. At 10%, the state credit would be about $20,000 before program caps and tax-liability limits. The company would need records showing the uncertainty, alternatives tested, people involved, and results - not simply a year-end estimate of 'engineering time.'

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Identify the technical uncertainty and start contemporaneous project records before trying to calculate the credit.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 2 of 3 (Conditional).

[1] Georgia Department of Revenue - Tax Credits

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Retraining Tax Credit

Georgia | Workforce | GA-RETRAIN-001

Credit amount / calculation

50% of eligible retraining costs up to statutory per-employee limits.

Business fit and eligible activity

Existing manufacturers retraining employees for new equipment, technology or processes can qualify. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Eligibility and practical use

This credit is aimed at the cost of changing the workforce along with the equipment. It can fit a mill installing scanners, controls, a new planer line, kiln controls, or other technology that requires incumbent employees to learn a materially different process. Routine safety meetings and ordinary orientation should not be treated as qualifying retraining without support in the program rules.

Illustrative business benefit

A mill installs a new scanner and optimizer and spends $60,000 on qualifying incumbent-worker training. At 50%, the nominal credit would be $30,000, subject to per-worker caps and certification rules. The equipment purchase itself is not the training credit; the qualifying instruction and documented employee participation are.

Timing / first action

Check application or certification requirements before incurring the qualifying expense or beginning the qualifying activity.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 3 of 3 (Broad route).

[1] Georgia Department of Revenue - Tax Credits

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Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] Georgia Department of Revenue - Tax Credits

[2] Georgia Department of Revenue - Optional Investment Tax Credit

Hawaii

Renewable Energy Technologies Income Tax Credit

Hawaii | Energy | HI-RETITC-001

Credit amount / calculation

2026 percentage/caps depend on technology; statutory changes take effect after 2026.

Business fit and eligible activity

Businesses installing qualifying solar or wind systems may claim the state energy credit; woody biomass is not included merely because it is renewable. Qualifying production, feedstock or energy technology; ordinary wood residuals are not automatically eligible.

Eligibility and practical use

This is a specialized credit, but the dollar value can be large when a mill or residuals business is actually developing qualifying energy infrastructure or fuel production. A biomass boiler, combined heat and power project, residuals conversion line, or fuel project should be tested against the exact statutory feedstock and emissions rules rather than the ordinary meaning of "renewable."

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Verify the technology, ownership, feedstock, emissions, and registration requirements before treating the project as credit-eligible.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 1 of 3 (Specialized).

[1] Hawaii Department of Taxation - Forms, including the relevant credit form

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Tax Credit for Research Activities

Hawaii | research and development | HI-RD-001

Credit amount / calculation

Credit tied to qualified research expenditures, subject to annual $5 million statewide cap and certification window.

Business fit and eligible activity

Qualified high-technology businesses conducting Hawaii research may receive a refundable credit; ordinary wood businesses may not meet the QHTB definition. Qualified research activity. Ordinary production, routine quality control and an equipment purchase alone do not qualify.

Eligibility and practical use

The high-technology-business qualification requires more than half of the business's activities to be qualified research. An ordinary production mill does not qualify merely because it conducts a small process-development project.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. With $600 of eligible tax due, a fully refundable $1,000 award would offset that tax and leave $400 refundable, subject to the program's refund procedure. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Check application or certification requirements before incurring the qualifying expense or beginning the qualifying activity.

Refundable	Yes, for an eligible certified claim.
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[2] Hawaii Technology Development Corporation - Tax Credit for Research Activities

Back to Hawaii Index

Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] Hawaii Department of Taxation - Forms, including the relevant credit form

[2] Hawaii Technology Development Corporation - Tax Credit for Research Activities

Idaho

Idaho Business Advantage Credits

Idaho | Investment / Jobs | ID-BA-001

Credit amount / calculation

Package includes investment and job-related credits; threshold generally starts around $500,000 investment and 10 qualifying jobs.

Business fit and eligible activity

Qualifying expansions meeting investment, jobs, wage and benefit tests can receive enhanced tax credits. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Seek approval before signing a purchase order, contract, lease or other binding commitment. At least ten new qualifying jobs are required; a four-job project does not meet the published threshold.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[1] Idaho State Tax Commission - Business Advantage Small Employer Requirements

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Investment Tax Credit

Idaho | Investment | ID-ITC-001

Credit amount / calculation

3% of qualifying investment, subject to current use limits and carryforward.

Business fit and eligible activity

Broad statutory credit for qualified Idaho investment, including many depreciable manufacturing assets. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Eligibility and practical use

This is the kind of credit that can matter to a capital-intensive mill even when the project adds only a handful of jobs. Logging equipment deserves a separate eligibility check because mobile harvesting property may be treated differently from machinery used at a manufacturing site.

Illustrative business benefit

A sawmill invests $1.50 million in qualifying production machinery. At 3%, the nominal credit is $45,000 before annual caps, tax-liability limits, carryforward rules, or negotiated adjustments. The company should isolate eligible machinery from buildings, vehicles, land, and other costs that the statute does not treat the same way.

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Get a written answer on which property is qualified - especially buildings, installation, software, used equipment, vehicles, and mobile machinery.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 1 of 3 (Routine); forest-products fit 3 of 3 (Broad route).

[2] Idaho State Tax Commission - Business Income Tax Credits

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Research Activities Credit

Idaho | research and development | ID-RD-001

Credit amount / calculation

5% of qualifying Idaho research expenditures over the base amount plus applicable basic-research component.

Business fit and eligible activity

Qualifying Idaho research can generate a state credit. Qualified research activity. Ordinary production, routine quality control and an equipment purchase alone do not qualify.

Eligibility and practical use

A wood-products company can miss this credit by assuming that "research" means white coats and laboratories. In practice, qualifying work can arise in process engineering, product development, automation, drying, recovery, and software. A logging company has a narrower path, but equipment-control, software, or process-development work can sometimes qualify if it satisfies the same technical tests.

Illustrative business benefit

A hardwood mill spends $320,000 on a documented project to improve recovery from low-grade logs using scanner changes, controlled test runs, software adjustments, and revised sawing patterns. Assume $200,000 is ultimately treated as the relevant qualified or excess research base. At 5%, the state credit would be about $10,000 before program caps and tax-liability limits. The company would need records showing the uncertainty, alternatives tested, people involved, and results - not simply a year-end estimate of 'engineering time.'

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Identify the technical uncertainty and start contemporaneous project records before trying to calculate the credit.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 2 of 3 (Conditional).

[2] Idaho State Tax Commission - Business Income Tax Credits

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Tax Reimbursement Incentive

Idaho | Economic Development | ID-TRI-001

Credit amount / calculation

Up to 30% of new state tax revenues generated by the project for up to 15 years.

Business fit and eligible activity

Substantial expansions can negotiate a refundable credit based on new state tax revenues. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Eligibility and practical use

A forest-products owner should treat this as a project-specific opportunity and test the actual expenditure or activity against the program rules.

Illustrative business benefit

If the approved agreement awards 30% of $100,000 of qualifying new state tax revenues, the credit for that year is $30,000. The agreement, annual performance and approved term control; 30% is not applied to the equipment price.

Timing / first action

Seek approval before starting the overall project, including site work or construction. Contact the administering agency and secure the required approval before the project is publicly or contractually committed.

Refundable	Yes; subject to the approved agreement.
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[3] Idaho Commerce - Incentives

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Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] Idaho State Tax Commission - Business Advantage Small Employer Requirements

[2] Idaho State Tax Commission - Business Income Tax Credits

[3] Idaho Commerce - Incentives

Illinois

Apprenticeship Education Expense Credit

Illinois | Workforce | IL-APP-001

Credit amount / calculation

Qualified education expenses up to $3,500 per apprentice per year, or up to $5,000 when the underserved-area conditions apply.

Business fit and eligible activity

Employers supporting qualified apprentices may claim education-expense credits. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Illustrative business benefit

Two qualifying apprentices each incur $3,000 in eligible tuition, books and laboratory fees paid by the employer. The credit is $6,000 total; ordinary wages and an equipment purchase are not the credit base.

Timing / first action

Check application or certification requirements before incurring the qualifying expense or beginning the qualifying activity.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 1 of 3 (Routine); forest-products fit 2 of 3 (Conditional).

[1] Illinois Department of Commerce and Economic Opportunity - Apprenticeship Education Expense Credit

Back to Illinois Index

EDGE Tax Credit

Illinois | Economic Development | IL-EDGE-001

Credit amount / calculation

Credit tied to new employee withholding; Tier I generally up to 10 years and Tier II up to 15.

Business fit and eligible activity

Manufacturers expanding in Illinois may receive a negotiated payroll-based credit if job, investment and strict 'but-for' rules are met. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Eligibility and practical use

A forest-products owner should treat this as a project-specific opportunity and test the actual expenditure or activity against the program rules.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Seek approval before starting the overall project, including site work or construction. Contact the administering agency and secure the required approval before the project is publicly or contractually committed.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[2] Illinois DCEO - EDGE

Back to Illinois Index

Historic Preservation Tax Credit

Illinois | Historic Rehabilitation | IL-HIST-001

Credit amount / calculation

Credit based on qualified rehabilitation expenditures, subject to certification/allocation.

Business fit and eligible activity

Certified historic industrial properties can qualify for a state rehabilitation credit. Eligible property rehabilitation or redevelopment; not the cost of wood supplied to someone else's project.

Eligibility and practical use

The strongest fit is a fixed facility: an older mill, warehouse, factory, or contaminated industrial parcel that will be put back into productive use. Advance certification is especially important here.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Seek approval before signing a purchase order, contract, lease or other binding commitment. Confirm the exact point at which a purchase order, contract, lease, or other binding commitment would make the project ineligible.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[3] Illinois Department of Revenue - Schedule 1299-I

Back to Illinois Index

Research and Development Credit

Illinois | research and development | IL-RD-001

Credit amount / calculation

6.5% of qualifying Illinois research and development expenditures over the three-year base-period average under current law.

Business fit and eligible activity

Qualified Illinois research can generate an incremental income-tax credit. Qualified research activity. Ordinary production, routine quality control and an equipment purchase alone do not qualify.

Eligibility and practical use

For forest products, research credits usually live on the mill floor rather than in a laboratory. Scanner settings, drying schedules, process-control changes, product testing, and equipment modifications can matter when the work is experimental rather than routine. A logging company has a narrower path, but equipment-control, software, or process-development work can sometimes qualify if it satisfies the same technical tests.

Illustrative business benefit

A hardwood mill spends $320,000 on a documented project to improve recovery from low-grade logs using scanner changes, controlled test runs, software adjustments, and revised sawing patterns. Assume $200,000 is ultimately treated as the relevant qualified or excess research base. At 6.5%, the state credit would be about $13,000 before program caps and tax-liability limits. The company would need records showing the uncertainty, alternatives tested, people involved, and results - not simply a year-end estimate of 'engineering time.'

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Identify the technical uncertainty and start contemporaneous project records before trying to calculate the credit.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 2 of 3 (Conditional).

[3] Illinois Department of Revenue - Schedule 1299-I

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Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] Illinois Department of Commerce and Economic Opportunity - Apprenticeship Education Expense Credit

[2] Illinois DCEO - EDGE

[3] Illinois Department of Revenue - Schedule 1299-I

Indiana

Community Revitalization Enhancement District Credit

Indiana | Geographic / Investment | IN-CRD-001

Credit amount / calculation

Credit based on qualified investment under district rules.

Business fit and eligible activity

Qualifying fixed-site investment in a designated district can generate a credit. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Eligibility and practical use

This is the kind of credit that can matter to a capital-intensive mill even when the project adds only a handful of jobs. Logging equipment deserves a separate eligibility check because mobile harvesting property may be treated differently from machinery used at a manufacturing site. Check the approval deadline before signing a purchase order or contract. A binding commitment made too early can disqualify a project.

Illustrative business benefit

A sawmill is replacing a headrig and adding scanning, material handling, and electrical controls in a project of roughly $2 million. The credit calculation would be based only on the costs the program recognizes as qualified investment. Before issuing purchase orders, the mill should obtain a written view on whether installation, electrical work, used equipment, and software are included.

Timing / first action

Seek approval before signing a purchase order, contract, lease or other binding commitment. Confirm the exact point at which a purchase order, contract, lease, or other binding commitment would make the project ineligible.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[1] Indiana EDC - Incentives

Back to Indiana Index

EDGE Credit

Indiana | Jobs | IN-EDGE-001

Credit amount / calculation

Credit based on incremental Indiana payroll withholding over the approved term.

Business fit and eligible activity

Growing employers can negotiate a payroll-based credit tied to new Indiana employment. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Eligibility and practical use

This is a hiring credit, not an equipment credit. It becomes interesting only when the planned headcount clears the program threshold and the new jobs satisfy wage, hours, location, and retention rules. A logging contractor should confirm that its industry or work location is within the eligible class before counting the jobs. Hiring before the required certification or reservation can jeopardize the credit.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. With $600 of eligible tax due, a fully refundable $1,000 award would offset that tax and leave $400 refundable, subject to the program's refund procedure. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Seek approval before starting the overall project, including site work or construction. Contact the administering agency and secure the required approval before the project is publicly or contractually committed.

Refundable	Yes, subject to certification and the agreement.
Transferable	No
Carryforward	Not applicable to the refundable award; confirm claim procedures.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[1] Indiana EDC - Incentives

Back to Indiana Index

Hoosier Business Investment Credit

Indiana | Investment | IN-HBI-001

Credit amount / calculation

Discretionary credit based on eligible capital investment and project economics; preapproval required.

Business fit and eligible activity

Manufacturing expansions can receive a negotiated credit for qualified capital investment. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Illustrative business benefit

A sawmill is replacing a headrig and adding scanning, material handling, and electrical controls in a project of roughly $2.40 million. The credit calculation would be based only on the costs the program recognizes as qualified investment. Before issuing purchase orders, the mill should obtain a written view on whether installation, electrical work, used equipment, and software are included.

Timing / first action

Seek approval before starting the overall project, including site work or construction. Contact the administering agency and secure the required approval before the project is publicly or contractually committed.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 2 of 3 (Conditional).

[1] Indiana EDC - Incentives

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Research Expense Tax Credit

Indiana | research and development | IN-RD-001

Credit amount / calculation

Regular method: 15% of the first $1 million of qualified research expenses above the base; 10% of the excess above $1 million.

Business fit and eligible activity

Qualified Indiana research can generate a state credit for manufacturers. Qualified research activity. Ordinary production, routine quality control and an equipment purchase alone do not qualify.

Eligibility and practical use

For forest products, research credits usually live on the mill floor rather than in a laboratory. Scanner settings, drying schedules, process-control changes, product testing, and equipment modifications can matter when the work is experimental rather than routine. A logging company has a narrower path, but equipment-control, software, or process-development work can sometimes qualify if it satisfies the same technical tests.

Illustrative business benefit

Assume a mill has $1.5 million of qualified research expenditures above its properly calculated base. The regular-method credit is $1 million x 15% + $500,000 x 10% = $200,000.

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Identify the technical uncertainty and start contemporaneous project records before trying to calculate the credit.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 2 of 3 (Conditional).

[2] Indiana Department of Revenue - Research Expense Credit

Back to Indiana Index

Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] Indiana EDC - Incentives

[2] Indiana Department of Revenue - Research Expense Credit

Iowa

Historic Preservation Tax Credit

Iowa | Historic Rehabilitation | IA-HIST-001

Credit amount / calculation

Percentage of qualified rehabilitation expenditures under current IEDA program rules.

Business fit and eligible activity

Certified historic mills and industrial buildings can qualify for an allocated rehabilitation credit. Eligible property rehabilitation or redevelopment; not the cost of wood supplied to someone else's project.

Eligibility and practical use

This is not a general construction credit. It becomes relevant when the real estate itself has the required historic, abandoned, brownfield, or redevelopment status. Advance certification is especially important here.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Seek approval before signing a purchase order, contract, lease or other binding commitment. Confirm the exact point at which a purchase order, contract, lease, or other binding commitment would make the project ineligible.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[1] Iowa EDA - Historic Preservation Tax Credit

Back to Iowa Index

Iowa Research and Development Tax Credit (2026 program)

Iowa | research and development | IA-RAC-001

Credit amount / calculation

2026 program: up to 3.5% of eligible Iowa research expenditures, subject to the agreement and statewide proration.

Business fit and eligible activity

Manufacturers claiming the federal research credit can obtain an Iowa refundable credit. Qualified research activity. Ordinary production, routine quality control and an equipment purchase alone do not qualify.

Eligibility and practical use

The new program requires industry/sector certification, a contract, annual applications and accountant verification. Ordinary manufacturing status is not sufficient. Do not use the prior 6.5% or 4.55% research formulas for this new program.

Illustrative business benefit

A certified wood-products innovator with $1 million of accepted Iowa research expenditures and an agreed 3.5% rate has an unadjusted credit of $35,000. Proration can lower the award. The excess over income tax is refundable.

Timing / first action

Check application or certification requirements before incurring the qualifying expense or beginning the qualifying activity. Certification window: February 2-September 30; annual credit application due January 31 under the program timeline. Confirm which federal-return filing year controls. Obtain qualified-business certification and confirm the applicable tax-year and federal-return timeline.

Refundable	Yes.
Transferable	No.
Carryforward	Refundable; an overpayment may instead be credited to the following year.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[2] Iowa Economic Development Authority - Research and Development Program Guidance

Back to Iowa Index

Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] Iowa EDA - Historic Preservation Tax Credit

[2] Iowa Economic Development Authority - Research and Development Program Guidance

Kansas

HPIP Investment Tax Credit

Kansas | Investment | KS-HPIP-001

Credit amount / calculation

10% of qualified facility investment above $50,000 in most counties; $1 million threshold in five metro counties; 16-year carryforward; limited transferability.

Business fit and eligible activity

Qualifying manufacturers paying above-average wages can earn a strong capital-investment credit. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Illustrative business benefit

A sawmill invests $2 million in qualifying production machinery. At 10%, the nominal credit is $200,000 before annual caps, tax-liability limits, carryforward rules, or negotiated adjustments. The company should isolate eligible machinery from buildings, vehicles, land, and other costs that the statute does not treat the same way.

Timing / first action

Seek approval before signing a purchase order, contract, lease or other binding commitment. Confirm the exact point at which a purchase order, contract, lease, or other binding commitment would make the project ineligible.

Refundable	No
Transferable	Limited transferability under program rules; confirm agency approval and recipient restrictions.
Carryforward	16 years; annual use limits and program conditions still apply.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 3 of 3 (Broad route).

[1] Kansas Department of Revenue - HPIP

Back to Kansas Index

HPIP Training and Education Credit

Kansas | Workforce | KS-HPIP-TR-001

Credit amount / calculation

Training spending above 2% of payroll, capped at $50,000 or tax liability.

Business fit and eligible activity

HPIP-certified firms with substantial training spending can claim an additional credit. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Eligibility and practical use

This credit is aimed at the cost of changing the workforce along with the equipment. It can fit a mill installing scanners, controls, a new planer line, kiln controls, or other technology that requires incumbent employees to learn a materially different process. Routine safety meetings and ordinary orientation should not be treated as qualifying retraining without support in the program rules.

Illustrative business benefit

A mill with $1.5 million of total payroll spends $45,000 on qualifying training. Two percent of payroll is $30,000, so the qualifying excess is $15,000. The credit is $15,000, subject to the $50,000 cap and the
$9500, subject to per-worker caps and certification rules. The equipment
tax-liability limit. The equipment purchase itself is not the training credit.

Timing / first action

Confirm HPIP certification for the claim year and document qualifying training expenditures and total payroll for the measurement period. Complete Schedule K-59 with the applicable income or privilege tax return.

Refundable	No
Transferable	No
Carryforward	None; credit must be used in the tax year earned.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 2 of 3 (Conditional).

[1] Kansas Department of Revenue - HPIP

Back to Kansas Index

Research and Development Credit

Kansas | research and development | KS-RD-001

Credit amount / calculation

10% of the difference between current research and development expenses and the average of the current and prior two years; credits generated 2023+ may be transferred when the taxpayer lacks current liability.

Business fit and eligible activity

Qualified Kansas research earns a relatively strong incremental credit. Qualified research activity. Ordinary production, routine quality control and an equipment purchase alone do not qualify.

Illustrative business benefit

A hardwood mill spends $320,000 on a documented project to improve recovery from low-grade logs using scanner changes, controlled test runs, software adjustments, and revised sawing patterns. Assume $200,000 is ultimately treated as the relevant qualified or excess research base. At 10%, the state credit would be about $20,000 before program caps and tax-liability limits. The company would need records showing the uncertainty, alternatives tested, people involved, and results - not simply a year-end estimate of 'engineering time.'

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Identify the technical uncertainty and start contemporaneous project records before trying to calculate the credit.

Refundable	No
Transferable	Credits generated in 2023 or later may be transferred when the taxpayer lacks current liability; agency procedures apply.
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 2 of 3 (Conditional).

[2] Kansas Department of Revenue - Research and Development Credit

Back to Kansas Index

Short Line Railroad Tax Credit

Kansas | Rail | KS-SLR-001

Credit amount / calculation

Credit based on qualified short-line track maintenance expenditures.

Business fit and eligible activity

Potentially relevant where a forest-products business owns qualifying short-line track or receives an eligible assigned credit. Eligible rail or freight activity; ownership, carrier and shipping requirements matter.

Eligibility and practical use

This is a logistics credit. It matters when a mill owns, improves, or materially increases use of qualifying freight infrastructure.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Tax-year claim: document qualifying short-line track maintenance expenditures and confirm ownership or valid assignment of the credit under program rules. Retain the required records with the applicable tax return.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 1 of 3 (Specialized).

[3] Kansas Department of Revenue - Tax Credits

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Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] Kansas Department of Revenue - HPIP

[2] Kansas Department of Revenue - Research and Development Credit

[3] Kansas Department of Revenue - Tax Credits

Kentucky

Historic Rehabilitation Tax Credit

Kentucky | Historic | KY-HIST-001

Credit amount / calculation

Percentage of qualified rehabilitation expenditures subject to certification/allocation.

Business fit and eligible activity

Certified historic mills and industrial properties can qualify for a state rehabilitation credit. Eligible property rehabilitation or redevelopment; not the cost of wood supplied to someone else's project.

Eligibility and practical use

This is not a general construction credit. It becomes relevant when the real estate itself has the required historic, abandoned, brownfield, or redevelopment status. Advance certification is especially important here.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Seek approval before signing a purchase order, contract, lease or other binding commitment. Confirm the exact point at which a purchase order, contract, lease, or other binding commitment would make the project ineligible.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[1] Kentucky Department of Revenue - Tax Credits

Back to Kentucky Index

Kentucky Business Investment Credit

Kentucky | Economic Development | KY-KBI-001

Credit amount / calculation

Project-specific approved tax credits and wage assessments tied to eligible costs and new employment.

Business fit and eligible activity

New or expanding manufacturers can receive negotiated income/limited liability entity tax credits when job, wage and investment requirements are met. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Eligibility and practical use

The credit is worth screening because it reaches a business activity that occurs regularly in forest products, even though the program is not written specifically for the industry.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Seek approval before starting the overall project, including site work or construction. Contact the administering agency and secure the required approval before the project is publicly or contractually committed.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 2 of 3 (Conditional).

[2] Kentucky Cabinet for Economic Development - Financial Incentives

Back to Kentucky Index

Kentucky Reinvestment Act Credit

Kentucky | Modernization | KY-KRA-001

Credit amount / calculation

Credit against corporate income/limited liability entity tax tied to approved eligible costs and retention/investment commitments.

Business fit and eligible activity

Existing manufacturers can receive credits for qualifying reinvestment/modernization projects. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Illustrative business benefit

A sawmill is replacing a headrig and adding scanning, material handling, and electrical controls in a project of roughly $2 million. The credit calculation would be based only on the costs the program recognizes as qualified investment. Before issuing purchase orders, the mill should obtain a written view on whether installation, electrical work, used equipment, and software are included.

Timing / first action

Seek approval before starting the overall project, including site work or construction. Contact the administering agency and secure the required approval before the project is publicly or contractually committed.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 3 of 3 (Broad route).

[2] Kentucky Cabinet for Economic Development - Financial Incentives

Back to Kentucky Index

Qualified Research Facility Tax Credit

Kentucky | research and development / Facility | KY-QRF-001

Credit amount / calculation

5% of qualified construction, remodeling and equipment costs; nonrefundable with 10-year carryforward.

Business fit and eligible activity

A business constructing/remodeling/equipping a research facility can claim a straightforward credit. Research facilities and qualifying capital costs; not ordinary production equipment.

Eligibility and practical use

A wood-products company can miss this credit by assuming that "research" means white coats and laboratories. In practice, qualifying work can arise in process engineering, product development, automation, drying, recovery, and software. A logging company has a narrower path, but equipment-control, software, or process-development work can sometimes qualify if it satisfies the same technical tests.

Illustrative business benefit

A hardwood mill spends $320,000 on a documented project to improve recovery from low-grade logs using scanner changes, controlled test runs, software adjustments, and revised sawing patterns. Assume $200,000 is ultimately treated as the relevant qualified or excess research base. At 5%, the state credit would be about $10,000 before program caps and tax-liability limits. The company would need records showing the uncertainty, alternatives tested, people involved, and results - not simply a year-end estimate of 'engineering time.'

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Identify the technical uncertainty and start contemporaneous project records before trying to calculate the credit.

Refundable	No
Transferable	No
Carryforward	10 years; annual use limits and program conditions still apply.

Screening ratings: difficulty 1 of 3 (Routine); forest-products fit 2 of 3 (Conditional).

[1] Kentucky Department of Revenue - Tax Credits

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Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] Kentucky Department of Revenue - Tax Credits

[2] Kentucky Cabinet for Economic Development - Financial Incentives

Louisiana

Related property-tax exemption

The Industrial Tax Exemption Program is a separate route for qualifying manufacturing property. It is an exemption, not an income-tax credit; review approval requirements before beginning a project.

Official directory or program information

Inventory Tax Credit

Louisiana | Inventory | LA-INVINV-001

Credit amount / calculation

Credit for eligible inventory property tax paid, subject to taxpayer-type and payment-date rules. New credits are not generally available to C corporations for inventory taxes paid on or after July 1, 2026.

Business fit and eligible activity

Forest-products businesses with large taxable inventory may benefit where current taxpayer-type rules permit; 2026 law changed corporate availability. Eligible inventory property tax paid; not the market value of inventory.

Eligibility and practical use

For property taxes paid July 1, 2026 or later, the credit is eliminated for C corporations, estates and trusts, with a statutory cooperative exception. Eligible pass-through businesses may continue to qualify. Determine entity type and payment date before counting any benefit.

Illustrative business benefit

A qualifying pass-through business pays $20,000 of eligible inventory property tax. The starting credit is $20,000, not a percentage of the inventory value. Owner-level allocation, tax liability and refund rules determine usable savings.

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Confirm federal entity classification and the date the inventory property tax was paid.

Refundable	No
Transferable	No
Carryforward	Transition rules depend on credit vintage and taxpayer type; apply Revenue Information Bulletin 26-011.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 1 of 3 (Specialized).

[1] Louisiana Department of Revenue - Revenue Information Bulletin 26-011

Back to Louisiana Index

Research and Development Tax Credit

Louisiana | research and development | LA-RD-001

Credit amount / calculation

Rate varies by business size/research circumstances; annual fiscal-year cap applies.

Business fit and eligible activity

Louisiana provides an allocation-limited credit for qualifying in-state research. Qualified research activity. Ordinary production, routine quality control and an equipment purchase alone do not qualify.

Eligibility and practical use

Document eligible Louisiana research costs and submit the credit application by the applicable deadline. The agency describes applications for 2025 expenses as due December 31, 2026; do not treat this as a blanket ban on research begun before application.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Check the application deadline for the expense year and the remaining fiscal-year allocation.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 2 of 3 (Conditional).

[2] Louisiana Economic Development - Research and Development Tax Credit

Back to Louisiana Index

Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] Louisiana Department of Revenue - Revenue Information Bulletin 26-011

[2] Louisiana Economic Development - Research and Development Tax Credit

Maine

Dirigo Capital Investment Credit

Maine | Investment | ME-DIRIGO-CAP-001

Credit amount / calculation

Generally 10% of qualified capital investment; 5% in three southern counties; annual caps and partial refundability apply.

Business fit and eligible activity

Exceptional fit: eligible sectors expressly include forestry/fishing and manufacturing, so both some forest operations and mills can qualify. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Illustrative business benefit

A sawmill invests $1.50 million in qualifying production machinery. At 10%, the nominal credit is $150,000 before annual caps, tax-liability limits, carryforward rules, or negotiated adjustments. The company should isolate eligible machinery from buildings, vehicles, land, and other costs that the statute does not treat the same way.

Timing / first action

Check application or certification requirements before incurring the qualifying expense or beginning the qualifying activity. Certified activity must be intended to begin within two years of application; benefits may run up to five years. Obtain the certification letter before starting the capital investment or training.

Refundable	Up to $500,000 per tax year under the combined program rules.
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 3 of 3 (Broad route).

[1] Maine Department of Economic and Community Development - Dirigo Business Incentives

Back to Maine Index

Dirigo Training Credit

Maine | Workforce | ME-DIRIGO-TR-001

Credit amount / calculation

$2,000 per employee receiving qualifying training; at least three qualifying employees and 20 training hours per employee.

Business fit and eligible activity

Eligible forestry and manufacturing businesses can receive a credit for qualified employee training. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Eligibility and practical use

This credit is aimed at the cost of changing the workforce along with the equipment. It can fit a mill installing scanners, controls, a new planer line, kiln controls, or other technology that requires incumbent employees to learn a materially different process. Routine safety meetings and ordinary orientation should not be treated as qualifying retraining without support in the program rules.

Illustrative business benefit

Six qualifying employees complete certified training: 6 x $2,000 = $12,000. This is a per-person credit, not a percentage of the machinery or training budget.

Timing / first action

Check application or certification requirements before incurring the qualifying expense or beginning the qualifying activity. Certified activity must be intended to begin within two years of application; benefits may run up to five years. Obtain the certification letter before starting the capital investment or training.

Refundable	Up to $500,000 per tax year under the combined program rules.
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 3 of 3 (Broad route).

[1] Maine Department of Economic and Community Development - Dirigo Business Incentives

Back to Maine Index

Renewable Chemicals Tax Credit

Maine | Biobased Products | ME-BIOCHEM-001

Credit amount / calculation

$0.08 per pound of qualifying renewable chemical meeting the statutory biobased definition.

Business fit and eligible activity

Potentially relevant when wood residuals are converted into qualifying renewable chemicals rather than fuels. Qualifying production, feedstock or energy technology; ordinary wood residuals are not automatically eligible.

Eligibility and practical use

This credit can matter to a wood-based chemical producer. The product must qualify as a renewable chemical and cannot be food, feed or fuel. Ordinary pellets, chips and boiler fuel do not qualify.

Illustrative business benefit

A residuals business converts wood-derived feedstock into 1.5 million pounds of a product that actually meets the statutory renewable-chemical definition. At $0.08 per pound, the nominal annual credit would be $120,000. Ordinary pellets, chips, or thermal fuel would not qualify merely because they are biobased.

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Confirm the product is a qualifying renewable chemical, not fuel, food or feed.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 1 of 3 (Specialized).

[2] Maine Revenue Services - Income Tax Credits

Back to Maine Index

Research Expense Tax Credit

Maine | research and development | ME-RD-001

Credit amount / calculation

5% of excess qualified research expenses plus 7.5% of qualifying basic-research payments; long carryforward.

Business fit and eligible activity

Qualifying Maine research can produce an incremental credit for wood-products manufacturers. Qualified research activity. Ordinary production, routine quality control and an equipment purchase alone do not qualify.

Illustrative business benefit

A hardwood mill spends $320,000 on a documented project to improve recovery from low-grade logs using scanner changes, controlled test runs, software adjustments, and revised sawing patterns. Assume $200,000 is ultimately treated as the relevant qualified or excess research base. At 5%, the state credit would be about $10,000 before program caps and tax-liability limits. The company would need records showing the uncertainty, alternatives tested, people involved, and results - not simply a year-end estimate of 'engineering time.'

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Identify the technical uncertainty and start contemporaneous project records before trying to calculate the credit.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 2 of 3 (Conditional).

[3] Maine Legislature - Title 36, section 5219-K

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Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] Maine Department of Economic and Community Development - Dirigo Business Incentives

[2] Maine Revenue Services - Income Tax Credits

[3] Maine Legislature - Title 36, section 5219-K

Maryland

Historic Revitalization Tax Credit

Maryland | Historic | MD-HIST-001

Credit amount / calculation

Percentage of qualified rehabilitation expenditures; program track and annual allocation vary.

Business fit and eligible activity

Certified historic mills and industrial properties can qualify. Eligible property rehabilitation or redevelopment; not the cost of wood supplied to someone else's project.

Eligibility and practical use

A wood-products business can qualify by rehabilitating an eligible historic building. The credit does not require mass timber and does not pay for logging machinery or ordinary production equipment. The building and rehabilitation must satisfy the applicable program track.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Seek approval before signing a purchase order, contract, lease or other binding commitment. Confirm the exact point at which a purchase order, contract, lease, or other binding commitment would make the project ineligible.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[1] Maryland Commerce - Business Programs

Back to Maryland Index

Job Creation Tax Credit

Maryland | Jobs | MD-JC-001

Credit amount / calculation

Generally $3,000 per qualifying position or $5,000 in revitalization areas, with certain veteran enhancements.

Business fit and eligible activity

Forest-products manufacturers adding qualifying Maryland jobs can receive per-job credits. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Eligibility and practical use

A mill expansion can meet the capital side of a project easily and still miss a jobs credit because the headcount is too small. That is why this credit should be tested against the actual staffing plan, not the size of the equipment purchase. A logging contractor should confirm that its industry or work location is within the eligible class before counting the jobs. Hiring before the required certification or reservation can jeopardize the credit.

Illustrative business benefit

Assume an approved mill project satisfies the location, wage, timing and minimum-job tests and certifies 60 positions at $3,000 each. The calculated credit is $180,000 before use limits. A project below the applicable minimum cannot simply multiply its jobs by the rate.

Timing / first action

Seek approval before signing a purchase order, contract, lease or other binding commitment. Confirm the exact point at which a purchase order, contract, lease, or other binding commitment would make the project ineligible.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 2 of 3 (Conditional).

[1] Maryland Commerce - Business Programs

Back to Maryland Index

One Maryland Tax Credit

Maryland | Geographic / Investment | MD-ONE-001

Credit amount / calculation

Up to $5 million based on eligible project costs, subject to qualification and use/refund rules.

Business fit and eligible activity

Qualifying Tier 1 county projects with jobs and investment can earn a large credit. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Eligibility and practical use

For a mill owner, the practical question is what property the statute treats as qualified investment. Production machinery is usually the first place to look; buildings, electrical work, software, mobile equipment, and used machinery require closer reading. Logging equipment deserves a separate eligibility check because mobile harvesting property may be treated differently from machinery used at a manufacturing site. Check the approval deadline before signing a purchase order or contract. A binding commitment made too early can disqualify a project.

Illustrative business benefit

A sawmill is replacing a headrig and adding scanning, material handling, and electrical controls in a project of roughly $2 million. The credit calculation would be based only on the costs the program recognizes as qualified investment. Before issuing purchase orders, the mill should obtain a written view on whether installation, electrical work, used equipment, and software are included.

Timing / first action

Seek approval before starting the overall project, including site work or construction. Contact the administering agency and secure the required approval before the project is publicly or contractually committed.

Refundable	Conditional refund beginning in the fourth year after the credit year, limited by qualifying payroll withholding.
Transferable	No
Carryforward	Up to ten years after the certified credit year.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[2] Maryland Department of Commerce - One Maryland Tax Credit

Back to Maryland Index

Research and Development Tax Credit

Maryland | research and development | MD-RD-001

Credit amount / calculation

10% of eligible excess Maryland research and development expenses; $12 million statewide cap, $3.5 million small-business set-aside and $250,000 applicant cap.

Business fit and eligible activity

Maryland manufacturers can apply annually for a capped state credit, including a small-business set-aside. Qualified research activity. Ordinary production, routine quality control and an equipment purchase alone do not qualify.

Illustrative business benefit

A hardwood mill spends $320,000 on a documented project to improve recovery from low-grade logs using scanner changes, controlled test runs, software adjustments, and revised sawing patterns. Assume $200,000 is ultimately treated as the relevant qualified or excess research base. At 10%, the state credit would be about $20,000 before program caps and tax-liability limits. The company would need records showing the uncertainty, alternatives tested, people involved, and results - not simply a year-end estimate of 'engineering time.'

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Apply by November 15 of the year following the expense year. Check the research base, state certification and small-business asset test; the small-business refund is not available to every taxpayer.

Refundable	Excess certified credit is refundable for qualifying small businesses.
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 2 of 3 (Conditional).

[3] Maryland Department of Commerce - Research and Development Tax Credit

Back to Maryland Index

Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] Maryland Commerce - Business Programs

[2] Maryland Department of Commerce - One Maryland Tax Credit

[3] Maryland Department of Commerce - Research and Development Tax Credit

Massachusetts

Economic Development Incentive Program Credit

Massachusetts | Economic Development | MA-EDIP-001

Credit amount / calculation

Project-specific negotiated award based on jobs, investment and location.

Business fit and eligible activity

Qualifying expansions can negotiate a state investment tax credit through EDIP. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Eligibility and practical use

The practical fit depends less on the company label than on the underlying activity, expenditure, location, or employment change.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Seek approval before starting the overall project, including site work or construction. Contact the administering agency and secure the required approval before the project is publicly or contractually committed.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[1] Massachusetts - EDIP

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Investment Tax Credit

Massachusetts | Investment | MA-ITC-001

Credit amount / calculation

3% of qualifying tangible property; motor vehicles excluded; carryover rules apply.

Business fit and eligible activity

Massachusetts manufacturers can claim a broad statutory credit on qualifying tangible property used in manufacturing. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Illustrative business benefit

A sawmill invests $1.50 million in qualifying production machinery. At 3%, the nominal credit is $45,000 before annual caps, tax-liability limits, carryforward rules, or negotiated adjustments. The company should isolate eligible machinery from buildings, vehicles, land, and other costs that the statute does not treat the same way.

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Get a written answer on which property is qualified - especially buildings, installation, software, used equipment, vehicles, and mobile machinery.

Refundable	No
Transferable	No
Carryforward	Generally three years; special treatment may apply to amounts limited by the minimum excise. Confirm the applicable corporate return instructions.

Screening ratings: difficulty 1 of 3 (Routine); forest-products fit 3 of 3 (Broad route).

[2] Massachusetts Department of Revenue - Tax Credits

Back to Massachusetts Index

Research Credit

Massachusetts | research and development | MA-RD-001

Credit amount / calculation

Credit based on qualified Massachusetts research expenditures under the current statutory method.

Business fit and eligible activity

Qualified Massachusetts research can produce a corporate excise credit. Qualified research activity. Ordinary production, routine quality control and an equipment purchase alone do not qualify.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Identify the technical uncertainty and start contemporaneous project records before trying to calculate the credit.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 2 of 3 (Conditional).

[2] Massachusetts Department of Revenue - Tax Credits

Back to Massachusetts Index

Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] Massachusetts - EDIP

[2] Massachusetts Department of Revenue - Tax Credits

Michigan

Program	Eligible activity	Page
Michigan Research and Development Credit	research and development	147

Michigan Research and Development Credit

Michigan | research and development | MI-RD-001

Credit amount / calculation

Small employer (<250 employees) generally 3% of Michigan qualified research expenses up to base plus 15% above base, capped at $250,000; larger-employer formula/cap differs; annual statewide cap and proration apply.

Business fit and eligible activity

New credit for tax years beginning in 2025; unusually useful to small manufacturers and flow-through employers conducting qualified Michigan research and development. Qualified research activity. Ordinary production, routine quality control and an equipment purchase alone do not qualify.

Eligibility and practical use

A wood-products company can miss this credit by assuming that "research" means white coats and laboratories. In practice, qualifying work can arise in process engineering, product development, automation, drying, recovery, and software. A logging company has a narrower path, but equipment-control, software, or process-development work can sometimes qualify if it satisfies the same technical tests. This program also has an advance procedural step, so the technical work should not begin on the assumption that a later application will cure the timing issue.

Illustrative business benefit

A hardwood mill spends $320,000 on a documented project to improve recovery from low-grade logs using scanner changes, controlled test runs, software adjustments, and revised sawing patterns. Assume $200,000 is ultimately treated as the relevant qualified or excess research base. At 3%, the state credit would be about $6,000 before program caps and tax-liability limits. The company would need records showing the uncertainty, alternatives tested, people involved, and results - not simply a year-end estimate of 'engineering time.'

Timing / first action

Check application or certification requirements before incurring the qualifying expense or beginning the qualifying activity. For 2026 expenses, tentative claim due March 15, 2027.

Refundable	Yes
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 3 of 3 (Broad route).

[1] Michigan Treasury - Research and Development Credit

Back to Michigan Index

Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] Michigan Treasury - Research and Development Credit

Minnesota

Credit for Increasing Research Activities

Minnesota | research and development | MN-RD-001

Credit amount / calculation

10% on the first statutory tier of excess qualified research expenses and 4% above; 25% refundable in 2026 and 2027.

Business fit and eligible activity

Minnesota research by a wood-products manufacturer can qualify, and the credit became partly refundable in 2026. Qualified research activity. Ordinary production, routine quality control and an equipment purchase alone do not qualify.

Eligibility and practical use

For forest products, research credits usually live on the mill floor rather than in a laboratory. Scanner settings, drying schedules, process-control changes, product testing, and equipment modifications can matter when the work is experimental rather than routine. A logging company has a narrower path, but equipment-control, software, or process-development work can sometimes qualify if it satisfies the same technical tests.

Illustrative business benefit

A hardwood mill spends $320,000 on a documented project to improve recovery from low-grade logs using scanner changes, controlled test runs, software adjustments, and revised sawing patterns. Assume $200,000 is ultimately treated as the relevant qualified or excess research base. At 10%, the state credit would be about $20,000 before program caps and tax-liability limits. The company would need records showing the uncertainty, alternatives tested, people involved, and results - not simply a year-end estimate of 'engineering time.'

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Identify the technical uncertainty and start contemporaneous project records before trying to calculate the credit.

Refundable	25% under the applicable 2026 and 2027 election rules; confirm the election deadline.
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 3 of 3 (Broad route).

[1] Minnesota Department of Revenue - Business Tax Credits

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Historic Structure Rehabilitation Credit

Minnesota | Historic | MN-HIST-001

Credit amount / calculation

State credit linked to qualified historic rehabilitation under current rules.

Business fit and eligible activity

Certified historic mills and industrial properties may qualify. Eligible property rehabilitation or redevelopment; not the cost of wood supplied to someone else's project.

Eligibility and practical use

A company buying an older industrial site should screen this credit before demolition or rehabilitation begins. Once work starts, certification options can narrow quickly. Advance certification is especially important here.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Seek approval before signing a purchase order, contract, lease or other binding commitment. Confirm the exact point at which a purchase order, contract, lease, or other binding commitment would make the project ineligible.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[1] Minnesota Department of Revenue - Business Tax Credits

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Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] Minnesota Department of Revenue - Business Tax Credits

Mississippi

Related exemptions and agreements

Property-tax exemptions, fee-in-lieu arrangements and sales-tax exemptions are separate from income-tax credits. Ask the development authority to screen the site, industry and proposed investment.

Official directory or program information

Brownfields Jobs Tax Credit

Mississippi | Brownfield / Jobs | MS-BROWNJOB-001

Credit amount / calculation

Jobs-tax-credit framework with brownfield-specific relaxation of minimum job requirement.

Business fit and eligible activity

A business redeveloping a certified brownfield can use jobs credits without the ordinary minimum-job threshold. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Eligibility and practical use

This is a hiring credit, not an equipment credit. It becomes interesting only when the planned headcount clears the program threshold and the new jobs satisfy wage, hours, location, and retention rules. A logging contractor should confirm that its industry or work location is within the eligible class before counting the jobs. Hiring before the required certification or reservation can jeopardize the credit.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Seek approval before signing a purchase order, contract, lease or other binding commitment. Confirm the exact point at which a purchase order, contract, lease, or other binding commitment would make the project ineligible.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[1] Mississippi Development Authority - Incentives

Back to Mississippi Index

Jobs Tax Credit

Mississippi | Jobs | MS-JOBS-001

Credit amount / calculation

Per-job amount and job threshold vary by county tier.

Business fit and eligible activity

Manufacturers creating the required number of new full-time jobs can earn annual per-job credits. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Eligibility and practical use

This is a hiring credit, not an equipment credit. It becomes interesting only when the planned headcount clears the program threshold and the new jobs satisfy wage, hours, location, and retention rules. A logging contractor should confirm that its industry or work location is within the eligible class before counting the jobs. Hiring before the required certification or reservation can jeopardize the credit.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Check application or certification requirements before incurring the qualifying expense or beginning the qualifying activity.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 2 of 3 (Conditional).

[1] Mississippi Development Authority - Incentives

Back to Mississippi Index

MFLEX - Mississippi Flexible Tax Incentive

Mississippi | Economic Development | MS-MFLEX-001

Credit amount / calculation

Generally requires more than $2.5 million planned investment and more than 10 jobs; award calculated under MFLEX agreement and can offset multiple state liabilities.

Business fit and eligible activity

Streamlined universal credit for larger new/expanding businesses creating jobs and investment. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Eligibility and practical use

The practical fit depends less on the company label than on the underlying activity, expenditure, location, or employment change.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Seek approval before starting the overall project, including site work or construction. Contact the administering agency and secure the required approval before the project is publicly or contractually committed.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 2 of 3 (Conditional).

[1] Mississippi Development Authority - Incentives

Back to Mississippi Index

Manufacturing Investment Tax Credit

Mississippi | Investment | MS-MFGINV-001

Credit amount / calculation

5% of eligible manufacturing investment, with at least $1 million of qualifying investment.

Business fit and eligible activity

Existing manufacturers operating in the state at least two years can claim a direct credit for substantial facility/equipment investment. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Eligibility and practical use

For a mill owner, the practical question is what property the statute treats as qualified investment. Production machinery is usually the first place to look; buildings, electrical work, software, mobile equipment, and used machinery require closer reading. Logging equipment deserves a separate eligibility check because mobile harvesting property may be treated differently from machinery used at a manufacturing site.

Illustrative business benefit

An eligible established manufacturer invests $1.2 million in qualifying buildings and equipment. The nominal credit is $1.2 million x 5% = $60,000, subject to tax-liability limits.

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Get a written answer on which property is qualified - especially buildings, installation, software, used equipment, vehicles, and mobile machinery.

Refundable	No
Transferable	No
Carryforward	Five years.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 3 of 3 (Broad route).

[1] Mississippi Development Authority - Incentives

Back to Mississippi Index

Research and Development Skills Tax Credit

Mississippi | research and development / Workforce | MS-RDSKILL-001

Credit amount / calculation

$1,000 per qualifying research-skilled position annually for five years.

Business fit and eligible activity

Often-overlooked credit for professional research and development positions such as engineers and technical staff. Qualified research-skilled employees; not equipment purchases.

Eligibility and practical use

The benefit depends on qualifying research-skilled employees, including education and job-duty requirements. Document the employee qualifications and duties; do not equate a scanner purchase with hiring a researcher.

Illustrative business benefit

Five qualifying research-skilled positions produce $5,000 annually, or $25,000 over five compliant years. Equipment and general product-development spending are not the credit base.

Timing / first action

Check application or certification requirements before incurring the qualifying expense or beginning the qualifying activity.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 1 of 3 (Routine); forest-products fit 2 of 3 (Conditional).

[1] Mississippi Development Authority - Incentives

Back to Mississippi Index

Skills Training Income Tax Credit

Mississippi | Training | MS-TRAIN-001

Credit amount / calculation

50% of eligible training costs, capped at $2,500 per employee per year and 50% of state income tax liability.

Business fit and eligible activity

Manufacturers and processors may qualify for training approved by the local community or junior college and the Department of Revenue. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Illustrative business benefit

Ten workers each receive $4,000 of eligible training. The credit is $20,000 before the tax-liability limit, below the combined $25,000 cap for ten employees ($2,500

Timing / first action

Check application or certification requirements before incurring the qualifying expense or beginning the qualifying activity. Secure the required college and revenue-department approvals; the official fact sheet is dated February 2015, so confirm current administration.

Refundable	No
Transferable	No
Carryforward	Five years.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 2 of 3 (Conditional).

[2] Mississippi Development Authority - Skills Training Income Tax Credit

Back to Mississippi Index

Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] Mississippi Development Authority - Incentives

[2] Mississippi Development Authority - Skills Training Income Tax Credit

Missouri

Missouri Works Tax Credit

Missouri | Jobs | MO-WORKS-001

Credit amount / calculation

Approved projects may retain withholding on qualifying new jobs for five or six years; larger projects can receive payroll-based credits.

Business fit and eligible activity

Expanding manufacturers can earn performance-based credits, but the program has strict pre-project timing. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Eligibility and practical use

This is a hiring credit, not an equipment credit. It becomes interesting only when the planned headcount clears the program threshold and the new jobs satisfy wage, hours, location, and retention rules. A logging contractor should confirm that its industry or work location is within the eligible class before counting the jobs. Hiring before the required certification or reservation can jeopardize the credit.

Illustrative business benefit

An approved rural mill creates six qualifying jobs and invests $100,000. If eligible new-job withholding is $12,000 each year, five years of retention is $60,000; a six-year term would be $72,000. These are assumed withholding amounts, not a guaranteed award.

Timing / first action

Seek approval before starting the overall project, including site work or construction. Submit the notice of intent at the required time and confirm the current program tier, county-wage test and benefit term.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 2 of 3 (Conditional).

[1] Missouri Department of Economic Development - Missouri Works

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New Investment Tax Credit

Missouri | Investment | MO-NEWINV-001

Credit amount / calculation

Discretionary award up to 2.5% of new capital investment during the three-year benefit period. Minimum: $30 million in a certified Missouri Innovation Zone or $50 million elsewhere.

Business fit and eligible activity

Effective August 28, 2026, this credit targets very large capital projects and will usually be above small-mill scale. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Eligibility and practical use

This is the kind of credit that can matter to a capital-intensive mill even when the project adds only a handful of jobs. Logging equipment deserves a separate eligibility check because mobile harvesting property may be treated differently from machinery used at a manufacturing site. Check the approval deadline before signing a purchase order or contract. A binding commitment made too early can disqualify a project.

Illustrative business benefit

A qualifying $30 million Innovation Zone project approved at 2.5% has a maximum calculated award of $750,000. A $1.2 million equipment purchase is below the program threshold.

Timing / first action

Seek approval before signing a purchase order, contract, lease or other binding commitment. Implemented August 28, 2026. Meet the investment threshold within two years of the notice of intent. Obtain an agency proposal and confirm the site is in a certified Innovation Zone before using the $30 million threshold.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[2] Missouri Department of Economic Development - Investment Works

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Qualified Research Expense Tax Credit

Missouri | research and development | MO-RD-001

Credit amount / calculation

Generally 15% of additional qualified research expenses or 20% with qualifying university collaboration; $300,000 taxpayer cap and $10 million annual cap.

Business fit and eligible activity

Manufacturers with increased Missouri qualified research expenses can apply for an allocation-limited credit. Qualified research activity. Ordinary production, routine quality control and an equipment purchase alone do not qualify.

Eligibility and practical use

For forest products, research credits usually live on the mill floor rather than in a laboratory. Scanner settings, drying schedules, process-control changes, product testing, and equipment modifications can matter when the work is experimental rather than routine. A logging company has a narrower path, but equipment-control, software, or process-development work can sometimes qualify if it satisfies the same technical tests. This program also has an advance procedural step, so the technical work should not begin on the assumption that a later application will cure the timing issue.

Illustrative business benefit

A hardwood mill spends $320,000 on a documented project to improve recovery from low-grade logs using scanner changes, controlled test runs, software adjustments, and revised sawing patterns. Assume $200,000 is ultimately treated as the relevant qualified or excess research base. At 15%, the state credit would be about $30,000 before program caps and tax-liability limits. The company would need records showing the uncertainty, alternatives tested, people involved, and results - not simply a year-end estimate of 'engineering time.'

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. The application window for 2025 expenses is August 1-September 30, 2026.

Refundable	No
Transferable	Transfer permitted under program procedures.
Carryforward	12 years.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 2 of 3 (Conditional).

[3] Missouri Department of Economic Development - Qualified Research Expense Credit

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Wood Energy Tax Credit

Missouri | Forest-Specific / Biomass | MO-WOOD-001

Credit amount / calculation

$5 per ton of processed material for up to five years; statewide cap $6 million per fiscal year; appropriation required; no new authorizations after June 30, 2033.

Business fit and eligible activity

Rare forest-specific production credit for processed wood products made from Missouri forest-product residue. Qualifying production, feedstock or energy technology; ordinary wood residuals are not automatically eligible.

Eligibility and practical use

This is a specialized credit, but the dollar value can be large when a mill or residuals business is actually developing qualifying energy infrastructure or fuel production. A biomass boiler, combined heat and power project, residuals conversion line, or fuel project should be tested against the exact statutory feedstock and emissions rules rather than the ordinary meaning of "renewable." Registration or certification can be a gating item before production or commitment.

Illustrative business benefit

A Missouri residual-processing operation produces 18,000 tons of qualifying processed material in a year. At $5 per ton, the nominal credit would be $90,000, subject to program appropriation, statewide limits, and the facility/feedstock rules.

Timing / first action

Check application or certification requirements before incurring the qualifying expense or beginning the qualifying activity.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 3 of 3 (Broad route).

[4] Missouri Revised Statutes §135.305

Back to Missouri Index

Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] Missouri Department of Economic Development - Missouri Works

[2] Missouri Department of Economic Development - Investment Works

[3] Missouri Department of Economic Development - Qualified Research Expense Credit

[4] Missouri Revised Statutes §135.305

Montana

Apprenticeship Tax Credit

Montana | Workforce | MT-APP-001

Credit amount / calculation

$750 per apprentice and $1,500 for a qualifying veteran apprentice.

Business fit and eligible activity

Registered apprentices can create modest credits for forest-products employers. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Illustrative business benefit

A sawmill formalizes a registered millwright/maintenance apprenticeship and employs 2 qualifying apprentices during the year. At $750.00 per apprentice, the nominal credit would be $1,500, assuming each apprentice and the employer program meet the certification rules.

Timing / first action

Check application or certification requirements before incurring the qualifying expense or beginning the qualifying activity. Obtain Department of Labor and Industry approval and claim in the approved year. The same employee cannot also support the new-job credit in that year.

Refundable	No
Transferable	No
Carryforward	None.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 2 of 3 (Conditional).

[1] Montana Department of Revenue - Apprenticeship Tax Credit

Back to Montana Index

Historic Property Preservation Credit

Montana | Historic | MT-HIST-001

Credit amount / calculation

25% of the federal rehabilitation credit attributable to qualifying Montana property.

Business fit and eligible activity

A qualifying historic industrial rehabilitation can generate a state credit. Eligible property rehabilitation or redevelopment; not the cost of wood supplied to someone else's project.

Illustrative business benefit

If the qualifying federal rehabilitation credit is $400,000, the Montana calculation is $400,000 x 25% = $100,000, subject to the state tax-liability limit. It is not 25% of the entire construction budget.

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Establish that the property and rehabilitation are eligible before demolition, construction, or irreversible design work begins.

Refundable	No.
Transferable	No
Carryforward	Seven years.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 1 of 3 (Specialized).

[2] Montana Department of Revenue - Preservation Credit

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Jobs Growth Incentive Tax Credit

Montana | Jobs | MT-JOBS-001

Credit amount / calculation

50% of employer-paid Social Security and Medicare taxes for qualifying new employees; certification required; 10-year carryforward.

Business fit and eligible activity

Employers creating qualifying jobs can receive a credit based on employer payroll taxes through tax year 2028. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Eligibility and practical use

This is a hiring credit, not an equipment credit. It becomes interesting only when the planned headcount clears the program threshold and the new jobs satisfy wage, hours, location, and retention rules. A logging contractor should confirm that its industry or work location is within the eligible class before counting the jobs. Hiring before the required certification or reservation can jeopardize the credit.

Illustrative business benefit

Assume eight qualifying new employees generate $30,600 in accepted employer Social Security and Medicare taxes. At 50%, the credit is $15,300 before tax-liability restrictions. Certification, wages and employee eligibility still control.

Timing / first action

Check application or certification requirements before incurring the qualifying expense or beginning the qualifying activity.

Refundable	No
Transferable	No
Carryforward	10 years; annual use limits and program conditions still apply.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 2 of 3 (Conditional).

[3] Montana Department of Revenue - Income Tax Credits

Back to Montana Index

Recycling Tax Credit

Montana | Recycling | MT-REC-001

Credit amount / calculation

25% of the first $250,000, 15% of the next $250,000, and 5% of the next $500,000 of qualifying equipment. Maximum $125,000.

Business fit and eligible activity

Potentially relevant to qualifying recycling equipment/property used by a wood-products business. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Eligibility and practical use

The equipment must process qualifying reclaimed material. Reuse of a producer's own ordinary industrial waste is restricted, and equipment producing energy from reclaimed material is excluded. Obtain a determination for mill residuals before purchase.

Illustrative business benefit

If all $750,000 qualifies, the credit is $62,500 + $37,500 + $12,500 = $112,500. With only $80,000 of applicable tax liability, usable savings are limited to $80,000; there is no refund or carryforward.

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Check the reclaimed-material definition and available tax liability; a large nominal credit can be lost if it cannot be used this year.

Refundable	No
Transferable	No
Carryforward	None.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 1 of 3 (Specialized).

[4] Montana Department of Revenue - Recycle Credit

Back to Montana Index

Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] Montana Department of Revenue - Apprenticeship Tax Credit

[2] Montana Department of Revenue - Preservation Credit

[3] Montana Department of Revenue - Income Tax Credits

[4] Montana Department of Revenue - Recycle Credit

Nebraska

ImagiNE Nebraska Investment / Wage Credits

Nebraska | Investment / Jobs | NE-IMAGINE-001

Credit amount / calculation

Manufacturing investment credit generally 5%, increasing to 8% once qualifying investment exceeds $10 million, plus wage credits by program level.

Business fit and eligible activity

Manufacturing expansion can earn investment and wage credits under an approved project. The 2026 law increased specified rates; apply the law and agreement that govern the application date. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Eligibility and practical use

This is the kind of credit that can matter to a capital-intensive mill even when the project adds only a handful of jobs. Logging equipment deserves a separate eligibility check because mobile harvesting property may be treated differently from machinery used at a manufacturing site. Check the approval deadline before signing a purchase order or contract. A binding commitment made too early can disqualify a project.

Illustrative business benefit

If an approved manufacturing project satisfies the applicable job and wage tests and qualifies for a 5% investment rate on $5 million, its investment credit is $250,000 before use limits. Wage credits, if any, are calculated separately.

Timing / first action

Seek approval before starting the overall project, including site work or construction. Contact the administering agency and secure the required approval before the project is publicly or contractually committed.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 3 of 3 (Broad route).

[1] Nebraska Department of Revenue - ImagiNE Nebraska Act

Back to Nebraska Index

Microenterprise Tax Credit

Nebraska | Small Business | NE-MICRO-001

Credit amount / calculation

20% of increased investment plus compensation under approved project, subject to lifetime/program caps.

Business fit and eligible activity

An individual actively involved in operating an eligible very small forest-products business may qualify for a refundable individual income tax credit tied to growth in investment and compensation. Confirm the applicant, investment, compensation, and other program requirements.

Eligibility and practical use

This credit is aimed below the scale of most headline economic-development programs. A small sawmill, firewood producer, pallet shop, or other closely held forest-products business can sometimes qualify with a modest investment and payroll increase. The administrative burden can still be real, so the credit is most useful when the business plans the growth rather than trying to reconstruct it afterward.

Illustrative business benefit

A small firewood and pallet business adds $180,000 of equipment and increases annual compensation by $70,000 as it grows from five to eight employees. If those increases fall within the approved project and the statutory formula, the credit can be meaningful at a scale where conventional economic-development programs would never engage.

Timing / first action

Seek approval before signing a purchase order, contract, lease or other binding commitment. Confirm the exact point at which a purchase order, contract, lease, or other binding commitment would make the project ineligible.

Refundable	Yes; refundable individual income tax credit.
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[2] Nebraska DED - Incentives

Back to Nebraska Index

Nebraska Advantage Research and Development Credit

Nebraska | research and development | NE-RD-001

Credit amount / calculation

Generally 15% of the federal research credit attributable to Nebraska research; qualifying university research can receive enhanced treatment.

Business fit and eligible activity

Qualifying Nebraska research can generate a refundable credit. Qualified research activity. Ordinary production, routine quality control and an equipment purchase alone do not qualify.

Eligibility and practical use

A wood-products company can miss this credit by assuming that "research" means white coats and laboratories. In practice, qualifying work can arise in process engineering, product development, automation, drying, recovery, and software. A logging company has a narrower path, but equipment-control, software, or process-development work can sometimes qualify if it satisfies the same technical tests.

Illustrative business benefit

If the federal research credit attributable to Nebraska is $20,000, the ordinary state calculation is $20,000 x 15% = $3,000. Do not apply 15% directly to $200,000 of research spending.

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Identify the technical uncertainty and start contemporaneous project records before trying to calculate the credit.

Refundable	Yes
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 2 of 3 (Conditional).

[3] Nebraska Department of Revenue - Research and Development Act

Back to Nebraska Index

Renewable Chemical Production Tax Credit

Nebraska | Biobased Products | NE-RENCH-001

Credit amount / calculation

Production credit based on pounds of qualifying renewable chemical; certification and caps apply.

Business fit and eligible activity

Potentially relevant when wood residuals are converted to qualifying renewable chemicals. Qualifying production, feedstock or energy technology; ordinary wood residuals are not automatically eligible.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Check application or certification requirements before incurring the qualifying expense or beginning the qualifying activity.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[2] Nebraska DED - Incentives

Back to Nebraska Index

Shortline Railroad Modernization Tax Credit

Nebraska | Rail | NE-RAIL-001

Credit amount / calculation

Credit based on qualified track maintenance/modernization expenditures.

Business fit and eligible activity

Potentially useful to qualifying track owners or recipients of assigned shortline-maintenance credits. Eligible rail or freight activity; ownership, carrier and shipping requirements matter.

Eligibility and practical use

This is a logistics credit. It matters when a mill owns, improves, or materially increases use of qualifying freight infrastructure.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Tax-year claim: document qualifying track maintenance or modernization expenditures and confirm that the claimant is an eligible track owner or assignee under program rules. Retain assignment and expenditure records for the applicable return.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 1 of 3 (Specialized).

[2] Nebraska DED - Incentives

Back to Nebraska Index

Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] Nebraska Department of Revenue - ImagiNE Nebraska Act

[2] Nebraska DED - Incentives

[3] Nebraska Department of Revenue - Research and Development Act

Nevada

No direct forest-products tax-credit entry is retained in this edition. This is not a finding that no assistance exists: check federal credits and the state's current equipment, property-tax, sales-tax and economic-development programs.

Review federal credits

New Hampshire

Economic Revitalization Zone Tax Credit

New Hampshire | Geographic / Jobs / Investment | NH-ERZ-001

Credit amount / calculation

Credit based on qualifying salary and capital investment, subject to certification and statewide cap.

Business fit and eligible activity

Qualifying investment and jobs in an ERZ can generate a certified credit. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Seek approval before signing a purchase order, contract, lease or other binding commitment. Confirm the exact point at which a purchase order, contract, lease, or other binding commitment would make the project ineligible.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[1] New Hampshire Department of Business and Economic Affairs - Economic Revitalization Zones

Back to New Hampshire Index

Research and Development Tax Credit

New Hampshire | Research and Development | NH-RD-001

Credit amount / calculation

The tentative credit is 10% of qualifying New Hampshire manufacturing research and development employee wages exceeding the applicable federal §41 base amount, with the state's provision that the minimum base may be zero. The actual award is the lesser of the calculated amount, the taxpayer's proportional share of the statewide allocation, and the applicable per-taxpayer cap. A unitary business is one taxpayer for this purpose.

Rule in enacted law	Limit and effective date
Per-taxpayer cap effective through December 31, 2026	$50,000
Per-taxpayer cap effective January 1, 2027	$100,000
Statewide fiscal-year allocation under the provision effective before January 1, 2028	$7 million
Statewide allocation under the provision effective January 1, 2028	$10 million

Application-cycle effect. Calendar-year 2026 research is claimed in the 2027 award cycle, which uses the $100,000 per-taxpayer cap and the $7 million statewide pool. The pool increases to $10 million on January 1, 2028.

Business fit and eligible activity

Qualifying wood-products manufacturing process or product development can fit. Eligible costs are employee wages for qualifying services performed in New Hampshire, treated as qualified research wages under federal §41, reported in the federal research-credit claim, and included in the New Hampshire business enterprise tax compensation base. Supplies, contract research, capital equipment, and all-purpose engineering expenditure are not substituted for this wage-only base. Routine logging or purchasing machinery does not establish eligibility; a forestry business must substantiate the qualifying manufacturing-process or business-component research and every wage test. The same wages cannot also receive the credit under RSA 162-N.

Timing / first action

File Form DP-165 by June 30 following the taxable period in which the research occurred. The commissioner determines the final award by September 30. A calendar-year taxpayer claiming 2026 research must apply by June 30, 2027. The $100,000 per-taxpayer cap applies to that application and award cycle. The statewide pool remains $7 million for this cycle; it increases to $10 million on January 1, 2028. If timely requests exceed the pool, each award is reduced proportionately.

Using the credit

• Apply the awarded credit to business profits tax first. The unused portion may then offset business enterprise tax; the taxpayer cannot choose either tax first.

• No general refundable or saleable-credit entitlement is established. A refund of estimated tax overpaid after application of a credit is a refund of tax payments, not refundability of unused credit.

• A calendar-year taxpayer may use an award based on 2026 research in the next five taxable periods: 2027 through 2031. Track the statutory window and remaining balance.

Illustrative business benefit

Assume $500,000 of qualifying New Hampshire employee wages and a correctly determined $300,000 statutory base. The tentative credit is ($500,000 − $300,000) × 10% = $20,000. This amount is below the $100,000 taxpayer cap for the 2027 award cycle. Assume the final award remains $20,000 after statewide allocation. On the first return on which the award may be used, assume $12,000 of eligible business profits tax liability and $3,000 of eligible business enterprise tax liability. Apply $12,000 to business profits tax and $3,000 to business enterprise tax, for $15,000 of tax savings. The remaining $5,000 is available only within the applicable statutory use window. If allocation reduces the award, recompute from the award notice; do not present $20,000 as guaranteed.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 2 of 3 (Conditional).

[2] New Hampshire General Court - RSA 77-A:5, XIII: research credit and dated amendments

[3] New Hampshire General Court - 2026 chapter 338, sections 1, 2 and 4: cap and allocation effective dates

[4] New Hampshire General Court - Business Enterprise Tax Rules, Rev 2406.05: application and tax-use order

[5] New Hampshire General Court - RSA 77-E:3-b: unused business profits tax research credit

Back to New Hampshire Index

Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] New Hampshire Department of Business and Economic Affairs - Economic Revitalization Zones

[2] New Hampshire General Court - RSA 77-A:5, XIII: research credit and dated amendments

[3] New Hampshire General Court - 2026 chapter 338, sections 1, 2 and 4: cap and allocation effective dates

[4] New Hampshire General Court - Business Enterprise Tax Rules, Rev 2406.05: application and tax-use order

[5] New Hampshire General Court - RSA 77-E:3-b: unused business profits tax research credit

[6] New Hampshire Department of Revenue Administration - Research and Development Tax Credit Program and current DP-165 access

[7] New Hampshire Department of Revenue Administration - Current Year Forms and Instructions

New Jersey

Effluent Treatment Equipment Credit

New Jersey | Environmental | NJ-EFF-001

Credit amount / calculation

Credit based on qualifying effluent-treatment equipment.

Business fit and eligible activity

Potentially relevant to wood-treatment or industrial facilities installing certified treatment equipment. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Eligibility and practical use

A wood-products plant may have an eligible project when it installs equipment to process a qualifying waste stream into a saleable product. In-plant reuse of ordinary production residuals is not automatically enough.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Tax-year claim: document the qualifying effluent-treatment equipment and meet any required certification. Confirm that the equipment and treated waste stream satisfy New Jersey credit rules before claiming the investment.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 1 of 3 (Specialized).

[1] New Jersey Division of Taxation - corporation business tax Credits

Back to New Jersey Index

Manufacturing Equipment and Employment Investment Credit

New Jersey | Equipment / Jobs | NJ-MFG-001

Credit amount / calculation

Credit based on qualifying manufacturing equipment investment plus employment component.

Business fit and eligible activity

Manufacturers buying qualified equipment and increasing employment can earn a two-part credit. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Get a written answer on which property is qualified - especially buildings, installation, software, used equipment, vehicles, and mobile machinery.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 3 of 3 (Broad route).

[1] New Jersey Division of Taxation - corporation business tax Credits

Back to New Jersey Index

New Jobs Investment Tax Credit

New Jersey | Investment / Jobs | NJ-NEWJ-001

Credit amount / calculation

Credit based on qualifying investment, generally taken in five annual installments, with job/compensation thresholds.

Business fit and eligible activity

Qualifying new-facility investment and new employment can generate credits in installments. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Check application or certification requirements before incurring the qualifying expense or beginning the qualifying activity.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[1] New Jersey Division of Taxation - corporation business tax Credits

Back to New Jersey Index

Recycling Equipment Credit

New Jersey | Recycling | NJ-REC-001

Credit amount / calculation

Credit based on eligible recycling equipment under current corporation business tax rules.

Business fit and eligible activity

Potentially useful for qualifying recycling machinery at a forest-products plant. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Eligibility and practical use

A wood-products plant may have an eligible project when it installs equipment to process a qualifying waste stream into a saleable product. In-plant reuse of ordinary production residuals is not automatically enough.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Confirm that the state treats both the material and the specific equipment as qualifying recycling activity.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 1 of 3 (Specialized).

[1] New Jersey Division of Taxation - corporation business tax Credits

Back to New Jersey Index

Research and Development Tax Credit

New Jersey | research and development | NJ-RD-001

Credit amount / calculation

10% of excess qualified research expenses over base plus qualifying basic research component.

Business fit and eligible activity

Qualifying New Jersey research can generate a corporate credit. Qualified research activity. Ordinary production, routine quality control and an equipment purchase alone do not qualify.

Illustrative business benefit

A hardwood mill spends $320,000 on a documented project to improve recovery from low-grade logs using scanner changes, controlled test runs, software adjustments, and revised sawing patterns. Assume $200,000 is ultimately treated as the relevant qualified or excess research base. At 10%, the state credit would be about $20,000 before program caps and tax-liability limits. The company would need records showing the uncertainty, alternatives tested, people involved, and results - not simply a year-end estimate of 'engineering time.'

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Identify the technical uncertainty and start contemporaneous project records before trying to calculate the credit.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 2 of 3 (Conditional).

[1] New Jersey Division of Taxation - corporation business tax Credits

Back to New Jersey Index

Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] New Jersey Division of Taxation - corporation business tax Credits

New Mexico

Investment Credit

New Mexico | Investment / Equipment | NM-INV-001

Credit amount / calculation

Credit based on the value of qualified equipment introduced into New Mexico, with employment/payroll tests.

Business fit and eligible activity

Broad credit for qualifying manufacturing equipment; highly relevant to fixed mills. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Illustrative business benefit

A sawmill is replacing a headrig and adding scanning, material handling, and electrical controls in a project of roughly $2 million. The credit calculation would be based only on the costs the program recognizes as qualified investment. Before issuing purchase orders, the mill should obtain a written view on whether installation, electrical work, used equipment, and software are included.

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Get a written answer on which property is qualified - especially buildings, installation, software, used equipment, vehicles, and mobile machinery.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 3 of 3 (Broad route).

[1] New Mexico TRD - Business Tax Credits

Back to New Mexico Index

Rural Job Tax Credit

New Mexico | Jobs / Rural | NM-RURALJOB-001

Credit amount / calculation

Per-job credit determined by eligible wages and rural-area rules.

Business fit and eligible activity

Qualifying forest-products employers creating eligible rural jobs may earn a job credit. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Eligibility and practical use

This credit can work for a growing forest-products employer, but it rewards payroll rather than machinery. A project with six new operators may fit; a $4 million modernization that adds one operator may not. A logging contractor should confirm that its industry or work location is within the eligible class before counting the jobs. Hiring before the required certification or reservation can jeopardize the credit.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Check application or certification requirements before incurring the qualifying expense or beginning the qualifying activity.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 2 of 3 (Conditional).

[1] New Mexico TRD - Business Tax Credits

Back to New Mexico Index

Technology Jobs and Research and Development Tax Credit

New Mexico | research and development | NM-RD-001

Credit amount / calculation

Basic credit generally 5% of qualified expenditures, plus another 5% in rural areas; additional components depend on payroll growth.

Business fit and eligible activity

Strong research and development facility credit with rural enhancements and refundable additional credit for qualifying small research and development businesses. Qualified research activity. Ordinary production, routine quality control and an equipment purchase alone do not qualify.

Illustrative business benefit

A hardwood mill spends $320,000 on a documented project to improve recovery from low-grade logs using scanner changes, controlled test runs, software adjustments, and revised sawing patterns. Assume $200,000 is ultimately treated as the relevant qualified or excess research base. At 5%, the state credit would be about $10,000 before program caps and tax-liability limits. The company would need records showing the uncertainty, alternatives tested, people involved, and results - not simply a year-end estimate of 'engineering time.'

Timing / first action

Check application or certification requirements before incurring the qualifying expense or beginning the qualifying activity.

Refundable	Conditional; small-business refund rule applies.
Transferable	No
Carryforward	Up to three years from the original claim for approved unused credit.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 2 of 3 (Conditional).

[1] New Mexico TRD - Business Tax Credits

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Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] New Mexico TRD - Business Tax Credits

New York

Brownfield Redevelopment Tax Credit

New York | Brownfield | NY-BROWN-001

Credit amount / calculation

Multiple credit components based on qualified cleanup and tangible-property basis.

Business fit and eligible activity

Certified brownfield projects can receive substantial site-preparation and tangible- property credits. Eligible property rehabilitation or redevelopment; not the cost of wood supplied to someone else's project.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. With $600 of eligible tax due, a fully refundable $1,000 award would offset that tax and leave $400 refundable, subject to the program's refund procedure. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Seek approval before signing a purchase order, contract, lease or other binding commitment. Confirm the exact point at which a purchase order, contract, lease, or other binding commitment would make the project ineligible.

Refundable	Yes; use the rules for the site's acceptance date and component.
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[1] New York Department of Taxation and Finance - Brownfield Redevelopment Credit

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Employment Incentive Credit

New York | Jobs / Investment | NY-EIC-001

Credit amount / calculation

Additional credit tied to investment tax credit property and employment growth.

Business fit and eligible activity

Businesses that qualify for investment tax credit and increase employment may earn an additional multi-year credit. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Eligibility and practical use

For a mill owner, the practical question is what property the statute treats as qualified investment. Production machinery is usually the first place to look; buildings, electrical work, software, mobile equipment, and used machinery require closer reading. Logging equipment deserves a separate eligibility check because mobile harvesting property may be treated differently from machinery used at a manufacturing site.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Get a written answer on which property is qualified - especially buildings, installation, software, used equipment, vehicles, and mobile machinery.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 2 of 3 (Conditional).

[2] New York Department of Taxation and Finance - Business Incentives

Back to New York Index

Excelsior Jobs Program Credits

New York | Economic Development | NY-EXCEL-001

Credit amount / calculation

Multiple refundable components under an Empire State Development agreement; advance acceptance is essential.

Business fit and eligible activity

Large/strategic manufacturing expansions can receive refundable credits for jobs, investment and research and development. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Eligibility and practical use

This is a situational credit. It becomes useful when the project facts line up with the statutory trigger rather than simply because the applicant is a forest-products business.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. With $600 of eligible tax due, a fully refundable $1,000 award would offset that tax and leave $400 refundable, subject to the program's refund procedure. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Seek approval before starting the overall project, including site work or construction. Contact the administering agency and secure the required approval before the project is publicly or contractually committed.

Refundable	Yes; subject to certification and program rules.
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[3] New York Department of Taxation and Finance - Excelsior Jobs Program Credit

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Investment Tax Credit

New York | Manufacturing / Investment | NY-ITC-001

Credit amount / calculation

Credit percentage varies by taxpayer/investment amount; property generally must have a useful life of four years or more and be used in qualifying production.

Business fit and eligible activity

Broad statutory credit for manufacturers investing in qualifying New York depreciable property. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Eligibility and practical use

This is the kind of credit that can matter to a capital-intensive mill even when the project adds only a handful of jobs. Logging equipment deserves a separate eligibility check because mobile harvesting property may be treated differently from machinery used at a manufacturing site.

Illustrative business benefit

A sawmill is replacing a headrig and adding scanning, material handling, and electrical controls in a project of roughly $1.20 million. The credit calculation would be based only on the costs the program recognizes as qualified investment. Before issuing purchase orders, the mill should obtain a written view on whether installation, electrical work, used equipment, and software are included.

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Get a written answer on which property is qualified - especially buildings, installation, software, used equipment, vehicles, and mobile machinery.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 3 of 3 (Broad route).

[2] New York Department of Taxation and Finance - Business Incentives

Back to New York Index

Research Credits / Excelsior research and development component

New York | research and development | NY-RD-001

Credit amount / calculation

Program-specific percentage of qualifying research and development expenditures; certification may be required.

Business fit and eligible activity

Research-intensive wood-product projects may qualify under current state research mechanisms. Qualified research activity. Ordinary production, routine quality control and an equipment purchase alone do not qualify.

Eligibility and practical use

A wood-products company can miss this credit by assuming that "research" means white coats and laboratories. In practice, qualifying work can arise in process engineering, product development, automation, drying, recovery, and software. A logging company has a narrower path, but equipment-control, software, or process-development work can sometimes qualify if it satisfies the same technical tests. This program also has an advance procedural step, so the technical work should not begin on the assumption that a later application will cure the timing issue.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Seek approval before signing a purchase order, contract, lease or other binding commitment. Confirm the exact point at which a purchase order, contract, lease, or other binding commitment would make the project ineligible.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[2] New York Department of Taxation and Finance - Business Incentives

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Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] New York Department of Taxation and Finance - Brownfield Redevelopment Credit

[2] New York Department of Taxation and Finance - Business Incentives

[3] New York Department of Taxation and Finance - Excelsior Jobs Program Credit

North Carolina

Program	Eligible activity	Page
Mill Rehabilitation Tax Credit	Industrial Rehabilitation	208
Tax Incentives for Major Recycling Facilities	Recycling / Large Project	209

Mill Rehabilitation Tax Credit

North Carolina | Industrial Rehabilitation | NC-MILL-001

Credit amount / calculation

Credit based on qualified rehabilitation expenditures for eligible mill property under Article 3H.

Business fit and eligible activity

Directly relevant to qualifying historic or vacant mill property; the credit-generating sunset is currently 2030. Eligible property rehabilitation or redevelopment; not the cost of wood supplied to someone else's project.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Seek approval before signing a purchase order, contract, lease or other binding commitment. Confirm the exact point at which a purchase order, contract, lease, or other binding commitment would make the project ineligible.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[1] North Carolina Department of Revenue - 2026 Economic Incentives Report

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Tax Incentives for Major Recycling Facilities

North Carolina | Recycling / Large Project | NC-RECY-001

Credit amount / calculation

Credit package under Article 3C for qualifying major recycling facilities.

Business fit and eligible activity

Only very large qualifying recycling facilities will meet the scale requirements. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Eligibility and practical use

A wood-products plant may have an eligible project when it installs equipment to process a qualifying waste stream into a saleable product. In-plant reuse of ordinary production residuals is not automatically enough.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Seek approval before signing a purchase order, contract, lease or other binding commitment. Confirm the exact point at which a purchase order, contract, lease, or other binding commitment would make the project ineligible.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[1] North Carolina Department of Revenue - 2026 Economic Incentives Report

Back to North Carolina Index

Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] North Carolina Department of Revenue - 2026 Economic Incentives Report

North Dakota

Apprenticeship Tax Credit

North Dakota | Workforce | ND-APP-001

Credit amount / calculation

10% of qualified apprentice compensation; no more than five apprentices at once. The employer's cumulative credit is capped at $3,000 across all tax years.

Business fit and eligible activity

Employers hiring qualifying apprentices can receive a state credit. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Illustrative business benefit

Two certified apprentices each receive $20,000 of qualifying compensation. The 10% calculation is $4,000, but an employer with no previous claims can earn at most $3,000 because of the lifetime cap.

Timing / first action

Check application or certification requirements before incurring the qualifying expense or beginning the qualifying activity. Confirm apprenticeship certification and subtract every prior credit from the employer's $3,000 lifetime limit.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 1 of 3 (Routine); forest-products fit 2 of 3 (Conditional).

[1] North Dakota Office of State Tax Commissioner - Apprentice Tax Credit

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Automation Equipment Tax Credit

North Dakota | Automation / Equipment | ND-AUTO-001

Credit amount / calculation

15% of qualifying automation purchases or capital-lease value; statewide allocation may reduce the award.

Business fit and eligible activity

Especially relevant to mills adding scanning, optimization, robotics or other qualifying automation. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Eligibility and practical use

A qualifying mill can use this credit for new or used automation or robotic equipment. Equipment must improve the manufacturing process and satisfy certification requirements.

Illustrative business benefit

$1.2 million of certified automation equipment x 15% = $180,000 before statewide proration and tax-liability restrictions. The credit applies to accepted equipment, not automatically to all electrical work, installation or software.

Timing / first action

Confirm primary-sector certification and equipment eligibility; preserve evidence of improved job quality or productivity. Apply by January 31 for purchases in the preceding calendar year.

Refundable	No
Transferable	No
Carryforward	Five tax years.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 3 of 3 (Broad route).

[2] North Dakota Office of State Tax Commissioner - Automation Tax Credit

Back to North Dakota Index

Renaissance Zone Income Tax Benefit

North Dakota | Geographic | ND-REN-001

Credit amount / calculation

Project-specific credit/exemption under Renaissance Zone rules.

Business fit and eligible activity

Fixed facilities in designated zones may receive tax benefits after certification. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Eligibility and practical use

The credit is worth screening because it reaches a business activity that occurs regularly in forest products, even though the program is not written specifically for the industry.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Seek approval before signing a purchase order, contract, lease or other binding commitment. Confirm the exact point at which a purchase order, contract, lease, or other binding commitment would make the project ineligible.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[3] North Dakota Tax Commissioner - Business Tax Credits

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Research Expense Credit

North Dakota | research and development | ND-RD-001

Credit amount / calculation

Regular method: 25% of the first $100,000 of research expenses above the base and 8% of the excess above $100,000. A separate alternative simplified method is available.

Business fit and eligible activity

Qualified North Dakota research can generate a state credit. Qualified research activity. Ordinary production, routine quality control and an equipment purchase alone do not qualify.

Illustrative business benefit

With $200,000 of North Dakota qualified research expenses above the regular-method base, the credit is $100,000 x 25% + $100,000 x 8% = $33,000 before tax limits.

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Identify the technical uncertainty and start contemporaneous project records before trying to calculate the credit.

Refundable	No
Transferable	No
Carryforward	15 years; three-year carryback subject to the applicable rules.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 2 of 3 (Conditional).

[4] North Dakota Office of State Tax Commissioner - Research Expense Credit

Back to North Dakota Index

Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] North Dakota Office of State Tax Commissioner - Apprentice Tax Credit

[2] North Dakota Office of State Tax Commissioner - Automation Tax Credit

[3] North Dakota Tax Commissioner - Business Tax Credits

[4] North Dakota Office of State Tax Commissioner - Research Expense Credit

Ohio

Job Creation Tax Credit

Ohio | Jobs | OH-JCTC-001

Credit amount / calculation

Negotiated percentage of new Ohio employee payroll/withholding for the approved term.

Business fit and eligible activity

Expanding manufacturers creating substantial new Ohio payroll can negotiate a refundable credit through the Ohio Tax Credit Authority. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Eligibility and practical use

This is a hiring credit, not an equipment credit. It becomes interesting only when the planned headcount clears the program threshold and the new jobs satisfy wage, hours, location, and retention rules. A logging contractor should confirm that its industry or work location is within the eligible class before counting the jobs. Hiring before the required certification or reservation can jeopardize the credit.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. With $600 of eligible tax due, a fully refundable $1,000 award would offset that tax and leave $400 refundable, subject to the program's refund procedure. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Seek approval before starting the overall project, including site work or construction. Contact the administering agency and secure the required approval before the project is publicly or contractually committed.

Refundable	Yes
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[1] Ohio Revised Code §122.17

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Ohio Historic Preservation Tax Credit

Ohio | Historic | OH-HIST-001

Credit amount / calculation

Credit based on qualified rehabilitation expenditures, subject to competitive allocation and certification.

Business fit and eligible activity

A qualifying historic industrial building can receive a competitively awarded rehabilitation credit. Eligible property rehabilitation or redevelopment; not the cost of wood supplied to someone else's project.

Eligibility and practical use

The strongest fit is a fixed facility: an older mill, warehouse, factory, or contaminated industrial parcel that will be put back into productive use. Advance certification is especially important here.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Seek approval before starting the overall project, including site work or construction. Contact the administering agency and secure the required approval before the project is publicly or contractually committed.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[2] Ohio Department of Development - Historic Preservation Tax Credit

Back to Ohio Index

Research and Development Investment Tax Credit

Ohio | research and development | OH-RD-001

Credit amount / calculation

7% of excess Ohio qualified research expenses over the average of the prior three years; nonrefundable with carryforward.

Business fit and eligible activity

Ohio's CAT-based research credit can apply to qualified research by wood-products manufacturers without a project award. Qualified research activity. Ordinary production, routine quality control and an equipment purchase alone do not qualify.

Eligibility and practical use

For forest products, research credits usually live on the mill floor rather than in a laboratory. Scanner settings, drying schedules, process-control changes, product testing, and equipment modifications can matter when the work is experimental rather than routine. A logging company has a narrower path, but equipment-control, software, or process-development work can sometimes qualify if it satisfies the same technical tests.

Illustrative business benefit

A hardwood mill spends $320,000 on a documented project to improve recovery from low-grade logs using scanner changes, controlled test runs, software adjustments, and revised sawing patterns. Assume $200,000 is ultimately treated as the relevant qualified or excess research base. At 7%, the state credit would be about $14,000 before program caps and tax-liability limits. The company would need records showing the uncertainty, alternatives tested, people involved, and results - not simply a year-end estimate of 'engineering time.'

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Identify the technical uncertainty and start contemporaneous project records before trying to calculate the credit.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 1 of 3 (Routine); forest-products fit 2 of 3 (Conditional).

[3] Ohio Revised Code - Research and Development Investment Credit

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Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] Ohio Revised Code §122.17

[2] Ohio Department of Development - Historic Preservation Tax Credit

[3] Ohio Revised Code - Research and Development Investment Credit

Oklahoma

Investment / New Jobs Tax Credit

Oklahoma | Manufacturing / Investment | OK-INVJOBS-001

Credit amount / calculation

Five-year credit equal to greater of 1% per year of qualifying investment or $500 per new job; doubles in enterprise zones or for >$40 million investments.

Business fit and eligible activity

Flexible manufacturing credit that lets a company choose the greater of investment or job benefits. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Eligibility and practical use

For a mill owner, the practical question is what property the statute treats as qualified investment. Production machinery is usually the first place to look; buildings, electrical work, software, mobile equipment, and used machinery require closer reading. Logging equipment deserves a separate eligibility check because mobile harvesting property may be treated differently from machinery used at a manufacturing site.

Illustrative business benefit

A sawmill invests $900,000 in qualifying production machinery. At 1%, the nominal credit is $9,000 before annual caps, tax-liability limits, carryforward rules, or negotiated adjustments. The company should isolate eligible machinery from buildings, vehicles, land, and other costs that the statute does not treat the same way.

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Get a written answer on which property is qualified - especially buildings, installation, software, used equipment, vehicles, and mobile machinery.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 3 of 3 (Broad route).

[1] Oklahoma Department of Commerce - Incentives

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Quality Jobs + Investment Tax Credits

Oklahoma | Large Manufacturing | OK-QUALITYINV-001

Credit amount / calculation

Greater of 2% per year of qualifying investment or $1,000 per new employee for five years, plus Quality Jobs structure.

Business fit and eligible activity

Very large manufacturers can combine Quality Jobs with enhanced investment/job credits. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Illustrative business benefit

A sawmill invests $1.20 million in qualifying production machinery. At 2%, the nominal credit is $24,000 before annual caps, tax-liability limits, carryforward rules, or negotiated adjustments. The company should isolate eligible machinery from buildings, vehicles, land, and other costs that the statute does not treat the same way.

Timing / first action

Seek approval before starting the overall project, including site work or construction. Contact the administering agency and secure the required approval before the project is publicly or contractually committed.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[1] Oklahoma Department of Commerce - Incentives

Back to Oklahoma Index

SIDE Act Tax Credit

Oklahoma | Infrastructure / Rural | OK-SIDE-001

Credit amount / calculation

Project-specific allocated tax credit under the SIDE Act.

Business fit and eligible activity

Large rural industrial-park or rail infrastructure projects can receive allocated credits. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Eligibility and practical use

The credit is worth screening because it reaches a business activity that occurs regularly in forest products, even though the program is not written specifically for the industry.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Seek approval before starting the overall project, including site work or construction. Contact the administering agency and secure the required approval before the project is publicly or contractually committed.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[1] Oklahoma Department of Commerce - Incentives

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Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] Oklahoma Department of Commerce - Incentives

Oregon

Qualified Jobs Creation Tax Credit

Oregon | Jobs | OR-QJ-001

Credit amount / calculation

$1,000 per qualifying net new job, up to 10 jobs / $10,000 per taxpayer per tax year; $12.5 million annual statewide cap.

Business fit and eligible activity

New in 2026 and unusually explicit: Forestry and Wood Products includes timber harvesting as well as manufacturing and processing. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Eligibility and practical use

A mill expansion can meet the capital side of a project easily and still miss a jobs credit because the headcount is too small. That is why this credit should be tested against the actual staffing plan, not the size of the equipment purchase. Logging companies are within the practical audience here because the benefit follows qualifying employment rather than a fixed manufacturing site. Hiring before the required certification or reservation can jeopardize the credit.

Illustrative business benefit

An Oregon logging company adds 7 net new full-time positions after qualifying for the program. At $1,000 per qualifying job, the nominal credit would be $7,000. The unusually important point for this sourcebook is that timber harvesting is expressly within the eligible forestry and wood-products industry definition.

Timing / first action

Check application or certification requirements before incurring the qualifying expense or beginning the qualifying activity. 2026 application window: September 1-October 31, 2026.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 3 of 3 (Broad route).

[1] Business Oregon - Qualified Jobs Creation Tax Credit

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Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] Business Oregon - Qualified Jobs Creation Tax Credit

Pennsylvania

Historic Preservation Tax Credit

Pennsylvania | Historic | PA-HIST-001

Credit amount / calculation

Credit based on qualified rehabilitation expenditures, subject to annual allocation and certification.

Business fit and eligible activity

Certified historic mill rehabilitation can qualify for an allocated state credit. Eligible property rehabilitation or redevelopment; not the cost of wood supplied to someone else's project.

Eligibility and practical use

This is not a general construction credit. It becomes relevant when the real estate itself has the required historic, abandoned, brownfield, or redevelopment status. Advance certification is especially important here.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Seek approval before signing a purchase order, contract, lease or other binding commitment. Confirm the exact point at which a purchase order, contract, lease, or other binding commitment would make the project ineligible.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[1] Pennsylvania Department of Community and Economic Development - Programs and Funding

Back to Pennsylvania Index

Manufacturing Tax Credit

Pennsylvania | Manufacturing / Jobs | PA-MI-001

Credit amount / calculation

Up to 5% of the increase in annual taxable payroll from qualifying new full-time jobs; minimum payroll increase is $1 million.

Business fit and eligible activity

Qualifying manufacturers increasing taxable payroll through new jobs can receive a performance credit. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Illustrative business benefit

An approved manufacturer adds $1.2 million of qualifying annual payroll. At an awarded 5% rate, the credit is $60,000, subject to the agreement and use restrictions.

Timing / first action

Check application or certification requirements before incurring the qualifying expense or beginning the qualifying activity.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 2 of 3 (Conditional).

[2] Pennsylvania Department of Community and Economic Development - Manufacturing Tax Credit

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Research and Development Tax Credit

Pennsylvania | research and development | PA-RD-001

Credit amount / calculation

Percentage of Pennsylvania qualified research expenses over base; annual statewide allocation and small-business set-aside apply.

Business fit and eligible activity

Qualified Pennsylvania research can generate an annually allocated credit. Qualified research activity. Ordinary production, routine quality control and an equipment purchase alone do not qualify.

Eligibility and practical use

A wood-products company can miss this credit by assuming that "research" means white coats and laboratories. In practice, qualifying work can arise in process engineering, product development, automation, drying, recovery, and software. A logging company has a narrower path, but equipment-control, software, or process-development work can sometimes qualify if it satisfies the same technical tests. This program also has an advance procedural step, so the technical work should not begin on the assumption that a later application will cure the timing issue.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Check application or certification requirements before incurring the qualifying expense or beginning the qualifying activity.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 2 of 3 (Conditional).

[1] Pennsylvania Department of Community and Economic Development - Programs and Funding

Back to Pennsylvania Index

Rural Jobs and Investment Tax Credit

Pennsylvania | Rural / Investment | PA-RURAL-001

Credit amount / calculation

Credit generated through qualified investment structures; generally not a simple operating-company claim.

Business fit and eligible activity

Potentially useful indirectly to rural businesses receiving capital from approved rural growth funds. Investor-supported financing, not a direct operating-company credit.

Eligibility and practical use

The tax credit supports investors in approved rural growth funds. A wood-products business may obtain financing from such a fund but does not automatically receive the investor credit.

Illustrative business benefit

A mill receives $900,000 of financing from an approved fund. Its own direct tax credit from receiving that loan or investment is $0. Any benefit to the mill is financing access or terms; the statutory tax credit belongs to the qualifying investor.

Timing / first action

Seek approval before signing a purchase order, contract, lease or other binding commitment. Identify the approved fund and financing terms. Do not subtract the investor credit from the operating company tax bill.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[3] Pennsylvania Department of Community and Economic Development - Rural Jobs and Investment Tax Credit

Back to Pennsylvania Index

Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] Pennsylvania Department of Community and Economic Development - Programs and Funding

[2] Pennsylvania Department of Community and Economic Development - Manufacturing Tax Credit

[3] Pennsylvania Department of Community and Economic Development - Rural Jobs and Investment Tax Credit

Rhode Island

Qualified Jobs Incentive Tax Credit

Rhode Island | Jobs | RI-QJ-001

Credit amount / calculation

Per-job annual credit based on wages and project location over the approved term.

Business fit and eligible activity

Expanding employers creating qualifying high-wage jobs can receive annual per-job credits. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Seek approval before starting the overall project, including site work or construction. Contact the administering agency and secure the required approval before the project is publicly or contractually committed.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[1] Rhode Island Commerce - Incentives

Back to Rhode Island Index

Rebuild Rhode Island Tax Credit

Rhode Island | Investment | RI-REBUILD-001

Credit amount / calculation

Project-specific credit based on eligible development costs and demonstrated need.

Business fit and eligible activity

Large fixed-site projects can receive a negotiated tax credit when financing gaps and project requirements are met. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Eligibility and practical use

This is the kind of credit that can matter to a capital-intensive mill even when the project adds only a handful of jobs. Logging equipment deserves a separate eligibility check because mobile harvesting property may be treated differently from machinery used at a manufacturing site. Check the approval deadline before signing a purchase order or contract. A binding commitment made too early can disqualify a project.

Illustrative business benefit

A sawmill is replacing a headrig and adding scanning, material handling, and electrical controls in a project of roughly $2.40 million. The credit calculation would be based only on the costs the program recognizes as qualified investment. Before issuing purchase orders, the mill should obtain a written view on whether installation, electrical work, used equipment, and software are included.

Timing / first action

Seek approval before starting the overall project, including site work or construction. Contact the administering agency and secure the required approval before the project is publicly or contractually committed.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[1] Rhode Island Commerce - Incentives

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Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] Rhode Island Commerce - Incentives

South Carolina

Abandoned Building Revitalization Credit

South Carolina | Redevelopment | SC-ABAND-001

Credit amount / calculation

Credit based on qualified rehabilitation expenditures with site thresholds and annual cap.

Business fit and eligible activity

Useful where a mill rehabilitates a qualifying abandoned industrial building; notice must precede expenditures. Eligible property rehabilitation or redevelopment; not the cost of wood supplied to someone else's project.

Eligibility and practical use

This is not a general construction credit. It becomes relevant when the real estate itself has the required historic, abandoned, brownfield, or redevelopment status. Advance certification is especially important here.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Seek approval before signing a purchase order, contract, lease or other binding commitment. Confirm the exact point at which a purchase order, contract, lease, or other binding commitment would make the project ineligible.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 2 of 3 (Conditional).

[1] South Carolina Department of Revenue - Tax Credits & Forms

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Capital Investment Credit

South Carolina | Manufacturing / Equipment | SC-CAP-001

Credit amount / calculation

0.5% to 2.5% of aggregate basis depending on recovery period; 10-year carryforward.

Business fit and eligible activity

Directly relevant to mills placing qualified manufacturing and productive equipment in service. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Eligibility and practical use

This is the kind of credit that can matter to a capital-intensive mill even when the project adds only a handful of jobs. Logging equipment deserves a separate eligibility check because mobile harvesting property may be treated differently from machinery used at a manufacturing site.

Illustrative business benefit

A sawmill places $2.40 million of qualifying production equipment in service: a scanner, edger, conveyors, controls, and related machinery. At the program's 0.5%- 2.5% range, the nominal credit would fall between $12,000 and $60,000, depending on the property class and other rules. Building work, mobile equipment, or nonqualifying software should be separated before the calculation.

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Get a written answer on which property is qualified - especially buildings, installation, software, used equipment, vehicles, and mobile machinery.

Refundable	No
Transferable	No
Carryforward	10 years; annual use limits and program conditions still apply.

Screening ratings: difficulty 1 of 3 (Routine); forest-products fit 3 of 3 (Broad route).

[1] South Carolina Department of Revenue - Tax Credits & Forms

Back to South Carolina Index

Employer Child Care Program Credit

South Carolina | Workforce | SC-CHILD-001

Credit amount / calculation

50% of eligible child-care startup costs, up to $100,000, plus a separate operating-cost component. Annual use limited to 50% of tax liability.

Business fit and eligible activity

Forest-products employers establishing or operating qualified child care programs can claim a state credit. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Eligibility and practical use

Apply South Carolina's own startup and operating rules. The federal small-business child-care rate does not determine this state credit.

Illustrative business benefit

A mill incurs $80,000 of qualifying child-care startup costs. The startup credit is $40,000. If applicable state tax liability is $60,000, no more than $30,000 is usable that year under the 50% limit, before other restrictions.

Timing / first action

Tax-year claim: document qualifying child-care startup or operating costs and meet any state certification or filing requirements. Apply the program expense limits and annual tax-liability cap before claiming the credit.

Refundable	No
Transferable	No
Carryforward	Ten years.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 2 of 3 (Conditional).

[1] South Carolina Department of Revenue - Tax Credits & Forms

Back to South Carolina Index

New Jobs Credit

South Carolina | Jobs | SC-JOBS-001

Credit amount / calculation

Per-job amount varies by county; 50% liability limit and 15-year carryforward.

Business fit and eligible activity

Certain employers creating and maintaining 10+ jobs can receive county-tiered credits. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Eligibility and practical use

This is a hiring credit, not an equipment credit. It becomes interesting only when the planned headcount clears the program threshold and the new jobs satisfy wage, hours, location, and retention rules. A logging contractor should confirm that its industry or work location is within the eligible class before counting the jobs.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Test the actual hiring plan against the net-new-job, wage, hours, location, and retention rules before assigning value to the credit.

Refundable	No
Transferable	No
Carryforward	15 years; annual use limits and program conditions still apply.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 2 of 3 (Conditional).

[1] South Carolina Department of Revenue - Tax Credits & Forms

Back to South Carolina Index

Recycling Property Tax Credit

South Carolina | Recycling / Large Project | SC-REC-001

Credit amount / calculation

30% of qualifying investment; can offset multiple state taxes and carry until used.

Business fit and eligible activity

Only very large qualifying recycling facilities will meet the $150 million investment threshold. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Eligibility and practical use

The opportunity is strongest when the company is buying identifiable processing equipment for a material the state recognizes as recyclable or for a certified pollution-control function.

Illustrative business benefit

This is a large-facility incentive, not an ordinary mill recycling-equipment credit. The statutory definition requires at least $150 million of investment and additional conditions. An otherwise qualifying $150 million credit base at 30% gives $45 million before applicable limits; a $300,000 line is not sufficient.

Timing / first action

Seek approval before signing a purchase order, contract, lease or other binding commitment. Confirm the $150 million minimum and all qualified- recycling-facility conditions before considering the 30% rate.

Refundable	No
Transferable	No
Carryforward	Until the credit is used. period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[1] South Carolina Department of Revenue - Tax Credits & Forms

Back to South Carolina Index

Research Expenses Credit

South Carolina | research and development | SC-RD-001

Credit amount / calculation

5% of South Carolina qualified research expenses; limited to 50% of remaining tax liability; 10-year carryforward.

Business fit and eligible activity

Businesses claiming the federal research credit can claim a South Carolina credit for in-state research. Qualified research activity. Ordinary production, routine quality control and an equipment purchase alone do not qualify.

Illustrative business benefit

A hardwood mill spends $320,000 on a documented project to improve recovery from low-grade logs using scanner changes, controlled test runs, software adjustments, and revised sawing patterns. Assume $200,000 is ultimately treated as the relevant qualified or excess research base. At 5%, the state credit would be about $10,000 before program caps and tax-liability limits. The company would need records showing the uncertainty, alternatives tested, people involved, and results - not simply a year-end estimate of 'engineering time.'

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Identify the technical uncertainty and start contemporaneous project records before trying to calculate the credit.

Refundable	No
Transferable	No
Carryforward	10 years; annual use limits and program conditions still apply.

Screening ratings: difficulty 1 of 3 (Routine); forest-products fit 2 of 3 (Conditional).

[1] South Carolina Department of Revenue - Tax Credits & Forms

Back to South Carolina Index

Small Business Jobs Credit

South Carolina | Jobs | SC-SBJOBS-001

Credit amount / calculation

Per-job amount varies by county and wages; 15-year carryforward.

Business fit and eligible activity

Businesses with 99 or fewer employees can qualify with as few as two new full-time jobs. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Eligibility and practical use

This is a hiring credit, not an equipment credit. It becomes interesting only when the planned headcount clears the program threshold and the new jobs satisfy wage, hours, location, and retention rules. A logging contractor should confirm that its industry or work location is within the eligible class before counting the jobs.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Test the actual hiring plan against the net-new-job, wage, hours, location, and retention rules before assigning value to the credit.

Refundable	No
Transferable	No
Carryforward	15 years; annual use limits and program conditions still apply.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 3 of 3 (Broad route).

[1] South Carolina Department of Revenue - Tax Credits & Forms

Back to South Carolina Index

Solar / Small Hydropower / Geothermal Equipment Credit

South Carolina | Energy | SC-SOLAR-001

Credit amount / calculation

25% of qualifying system cost subject to per-facility and liability limits; 10-year carryforward.

Business fit and eligible activity

Potentially relevant to qualifying non-biomass energy systems installed at a mill. Qualifying production, feedstock or energy technology; ordinary wood residuals are not automatically eligible.

Eligibility and practical use

The first screen is technical: what is being produced, how is it measured, who owns the qualifying property, and does the statute recognize the feedstock or technology? A biomass boiler, combined heat and power project, residuals conversion line, or fuel project should be tested against the exact statutory feedstock and emissions rules rather than the ordinary meaning of "renewable."

Illustrative business benefit

A wood-products plant develops a $3 million qualifying energy project. If the full amount were eligible at the stated 25% base rate, the nominal credit would be $750,000 before wage/apprenticeship rules, bonuses, transfer rules, emissions tests, or other program conditions. The company should not count the credit until the technology and feedstock are confirmed as qualified.

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Verify the technology, ownership, feedstock, emissions, and registration requirements before treating the project as credit-eligible.

Refundable	No
Transferable	No
Carryforward	10 years; annual use limits and program conditions still apply.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 1 of 3 (Specialized).

[1] South Carolina Department of Revenue - Tax Credits & Forms

Back to South Carolina Index

Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] South Carolina Department of Revenue - Tax Credits & Forms

South Dakota

No direct forest-products tax-credit entry is retained in this edition. This is not a finding that no assistance exists: check federal credits and the state's current equipment, property-tax, sales-tax and economic-development programs.

Review federal credits

Tennessee

Enhanced Job Tax Credit

Tennessee | Jobs / Geographic | TN-ENH-001

Credit amount / calculation

Additional annual per-job benefit based on county tier.

Business fit and eligible activity

Projects in designated enhancement counties can receive additional per-job credits and lower thresholds. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Eligibility and practical use

This credit can work for a growing forest-products employer, but it rewards payroll rather than machinery. A project with six new operators may fit; a $4 million modernization that adds one operator may not. A logging contractor should confirm that its industry or work location is within the eligible class before counting the jobs. Hiring before the required certification or reservation can jeopardize the credit.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Check application or certification requirements before incurring the qualifying expense or beginning the qualifying activity.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 2 of 3 (Conditional).

[1] Tennessee ECD - Incentives & Grants

Back to Tennessee Index

Industrial Machinery Tax Credit

Tennessee | Investment / Equipment | TN-IMC-001

Credit amount / calculation

Generally 1% of qualified industrial machinery investment, with enhanced rates for very large projects; 25-year carryforward.

Business fit and eligible activity

Foundational manufacturing credit for qualified industrial machinery. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Eligibility and practical use

For a mill owner, the practical question is what property the statute treats as qualified investment. Production machinery is usually the first place to look; buildings, electrical work, software, mobile equipment, and used machinery require closer reading. Logging equipment deserves a separate eligibility check because mobile harvesting property may be treated differently from machinery used at a manufacturing site.

Illustrative business benefit

A sawmill invests $2.40 million in qualifying production machinery. At 1%, the nominal credit is $24,000 before annual caps, tax-liability limits, carryforward rules, or negotiated adjustments. The company should isolate eligible machinery from buildings, vehicles, land, and other costs that the statute does not treat the same way.

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Get a written answer on which property is qualified - especially buildings, installation, software, used equipment, vehicles, and mobile machinery.

Refundable	No
Transferable	No
Carryforward	25 years; annual use limits and program conditions still apply.

Screening ratings: difficulty 1 of 3 (Routine); forest-products fit 3 of 3 (Broad route).

[1] Tennessee ECD - Incentives & Grants

Back to Tennessee Index

Job Tax Credit

Tennessee | Jobs | TN-JTC-001

Credit amount / calculation

Generally $4,500 per qualifying job; standard threshold is 25 jobs within 36 months and $500,000 of capital investment.

Business fit and eligible activity

Manufacturers investing and creating qualifying jobs can receive a per-job franchise/excise credit. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Eligibility and practical use

This is a hiring credit, not an equipment credit. It becomes interesting only when the planned headcount clears the program threshold and the new jobs satisfy wage, hours, location, and retention rules. A logging contractor should confirm that its industry or work location is within the eligible class before counting the jobs. Hiring before the required certification or reservation can jeopardize the credit.

Illustrative business benefit

An eligible project invests at least $500,000 and adds 25 qualifying jobs: 25 x $4,500 = $112,500 before use limits. A six-job project does not meet the standard threshold; special county rules must be checked separately.

Timing / first action

Check application or certification requirements before incurring the qualifying expense or beginning the qualifying activity.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 2 of 3 (Conditional).

[1] Tennessee ECD - Incentives & Grants

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Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] Tennessee ECD - Incentives & Grants

Texas

Certified Historic Structure Rehabilitation Credit

Texas | Historic | TX-HIST-001

Credit amount / calculation

25% of eligible rehabilitation costs under the state credit; transfer rules apply.

Business fit and eligible activity

A forest-products business rehabilitating a certified historic mill may monetize a Texas franchise-tax credit. Eligible property rehabilitation or redevelopment; not the cost of wood supplied to someone else's project.

Eligibility and practical use

The strongest fit is a fixed facility: an older mill, warehouse, factory, or contaminated industrial parcel that will be put back into productive use. Advance certification is especially important here.

Illustrative business benefit

A wood manufacturer buys an older industrial mill building and undertakes $2 million of rehabilitation that is accepted as qualified expenditure. At a 25% credit rate, the nominal credit would be $500,000, subject to certification, allocation, basis, and recapture rules. Demolition or rehabilitation started before the required approval could change the result completely.

Timing / first action

Seek approval before signing a purchase order, contract, lease or other binding commitment. Confirm the exact point at which a purchase order, contract, lease, or other binding commitment would make the project ineligible.

Refundable	No
Transferable	Yes
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[1] Texas Historical Commission - Historic Preservation Tax Credit

Back to Texas Index

Research and Development Franchise Tax Credit - Subchapter T

Texas | research and development | TX-RD-001

Credit amount / calculation

Standard Subchapter T calculation: 8.722% of current Texas qualified expenses above 50% of the preceding three-year average. Other rates apply to university research and taxpayers lacking a full base history.

Business fit and eligible activity

New rules effective January 1, 2026 provide a current franchise-tax credit for Texas qualified research. Qualified research activity. Ordinary production, routine quality control and an equipment purchase alone do not qualify.

Illustrative business benefit

With qualifying expenses in each base year, $300,000 this year and a $200,000 three-year average produce ($300,000 - $100,000) x 8.722% = $17,444 before applicable limits. File the required federal research form; eligible no-tax-due entities follow separate refund procedures.

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Use the 2026 Subchapter T rules and file federal Form 6765. Check the prohibition involving the former research sales-tax exemption.

Refundable	Conditional
Transferable	No
Carryforward	Up to 20 consecutive reports for eligible unused credit.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 3 of 3 (Broad route).

[2] Texas Comptroller - 2026 Franchise Tax Instructions, Subchapter T

Back to Texas Index

Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] Texas Historical Commission - Historic Preservation Tax Credit

[2] Texas Comptroller - 2026 Franchise Tax Instructions, Subchapter T

Utah

Economic Development Tax Increment Financing Credits

Utah | Economic Development | UT-EDTIF-001

Credit amount / calculation

EDTIF can refund up to roughly 30% of new state revenues; rural REDTIF can reach higher negotiated percentages under current law.

Business fit and eligible activity

Substantial manufacturing expansions creating high-wage jobs can negotiate refundable post-performance credits; rural projects can receive higher percentages. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Eligibility and practical use

The practical fit depends less on the company label than on the underlying activity, expenditure, location, or employment change.

Illustrative business benefit

Assume the executed agreement awards 20% of $1 million in verified new state tax revenues. The post-performance credit is $200,000. Both the 20% award and the revenue base are assumptions for this example, not automatic entitlements.

Timing / first action

Seek approval before starting the overall project, including site work or construction. Contact the administering agency and secure the required approval before the project is publicly or contractually committed.

Refundable	Yes
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[1] Utah GOEO - Incented Companies

Back to Utah Index

Recycling Market Development Zone Tax Credit

Utah | Recycling | UT-RMDZ-001

Credit amount / calculation

Machinery credit uses the applicable Utah income-tax rate, plus 20% of eligible operating expenditures capped at $2,000. Combined current use is limited to 40% of tax liability.

Business fit and eligible activity

Potentially useful to a wood-residual business operating in a designated zone and making products from qualifying recycled/post-consumer material. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Eligibility and practical use

This credit can fit a residual-utilization project, but "recycling" is a legal definition, not a synonym for using sawdust, bark, chips, or mill waste.

Illustrative business benefit

At a 4.45% applicable rate, $750,000 of certified equipment generates $33,375. Eligible operating expenditures of $10,000 add $2,000, for $35,375 before the 40% tax-liability limit. The 20% operating rate does not apply to the equipment.

Timing / first action

Check application or certification requirements before incurring the qualifying expense or beginning the qualifying activity. Obtain environmental-department certification and use the rate for the tax year. The posted August 2024 form shows an older 4.55% rate.

Refundable	No
Transferable	No
Carryforward	Three years for eligible unused machinery/equipment credit; operating-expense credit has different treatment.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 1 of 3 (Specialized).

[2] Utah State Tax Commission - Recycling Credit Form TC-40R (use tax-year rate)

Back to Utah Index

Research Activities Tax Credit

Utah | research and development | UT-RD-001

Credit amount / calculation

Current statute includes 5% incremental research/basic-research components plus 7.5% of current Utah qualified research expenses.

Business fit and eligible activity

Qualified Utah research can produce multiple nonrefundable credit components. Qualified research activity. Ordinary production, routine quality control and an equipment purchase alone do not qualify.

Eligibility and practical use

For forest products, research credits usually live on the mill floor rather than in a laboratory. Scanner settings, drying schedules, process-control changes, product testing, and equipment modifications can matter when the work is experimental rather than routine. A logging company has a narrower path, but equipment-control, software, or process-development work can sometimes qualify if it satisfies the same technical tests.

Illustrative business benefit

Assume $300,000 of current Utah qualified research expenses and $200,000 of qualifying incremental expenses under the statutory base calculation. The 7.5% current-expense component is $22,500 and the 5% incremental component is $10,000, for $32,500 before limitations; qualifying basic-research payments are a separate component.

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Identify the technical uncertainty and start contemporaneous project records before trying to calculate the credit.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 2 of 3 (Conditional).

[3] Utah Code §59-10-1012

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Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] Utah GOEO - Incented Companies

[2] Utah State Tax Commission - Recycling Credit Form TC-40R (use tax-year rate)

[3] Utah Code §59-10-1012

Vermont

Program	Eligible activity	Page

Research and Development Tax Credit

Vermont | research and development | VT-RD-001

Credit amount / calculation

For 2026: 27% of the federal research credit attributable to Vermont. Act 164 increases this to 75% for tax years beginning January 1, 2027 or later.

Business fit and eligible activity

Vermont companies receiving the federal research credit can claim a state credit. Qualified research activity. Ordinary production, routine quality control and an equipment purchase alone do not qualify.

Illustrative business benefit

A $20,000 federal research credit attributable to Vermont gives $5,400 at the 2026 rate of 27%. For a tax year beginning in 2027, the enacted 75% rate would give $15,000 on the same assumed federal credit base.

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Use the rate for the beginning date of the tax year; the enacted increase is not effective for 2026 tax years.

Refundable	No
Transferable	No
Carryforward	Ten years.

Screening ratings: difficulty 1 of 3 (Routine); forest-products fit 2 of 3 (Conditional).

[1] Vermont General Assembly - Act 164 of 2026, Sections 58 and 64(7)

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Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] Vermont General Assembly - Act 164 of 2026, Sections 58 and 64(7)

Virginia

Recyclable Materials Processing Equipment Tax Credit

Virginia | Recycling / Equipment | VA-REC-001

Credit amount / calculation

20% of qualifying machinery/equipment purchase price, subject to annual statewide cap/proration and Department of Environmental Quality certification.

Business fit and eligible activity

Potentially relevant to manufacturers producing products from recyclable material; current authorization runs through tax years beginning before 2027. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Illustrative business benefit

A sawmill invests $900,000 in qualifying production machinery. At 20%, the nominal credit is $180,000 before annual caps, tax-liability limits, carryforward rules, or negotiated adjustments. The company should isolate eligible machinery from buildings, vehicles, land, and other costs that the statute does not treat the same way.

Timing / first action

Check application or certification requirements before incurring the qualifying expense or beginning the qualifying activity.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[1] Virginia Tax - Tax Credits

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Worker Training Tax Credit

Virginia | Workforce | VA-WT-001

Credit amount / calculation

35% of eligible training expenses, capped at $500 per qualified employee annually or $1,000 per qualifying non-highly compensated worker.

Business fit and eligible activity

Forest-products employers can claim credits for qualifying worker training, including manufacturing training. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Eligibility and practical use

Training must meet the approved course, credential or registered-apprenticeship requirements. Ordinary vendor instruction on newly purchased machinery is not automatically eligible.

Illustrative business benefit

Ten ordinary qualified employees each receive $2,000 of eligible instruction. Although 35% is $700 each, the $500 per-person cap limits the total to $5,000 before allocation or other limits.

Timing / first action

Check application or certification requirements before incurring the qualifying expense or beginning the qualifying activity.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 3 of 3 (Broad route).

[2] Virginia Tax - Business Development Credits

Back to Virginia Index

Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] Virginia Tax - Tax Credits

[2] Virginia Tax - Business Development Credits

Washington

Program	Eligible activity	Page
business and occupation tax Credit for New Employees in Manufacturing/research and development in Rural Counties	Jobs / Rural	269
Customized Employee Workforce Training Credit	Training	271

Utility-funded building incentives

The Clean Buildings early-adopter program may benefit a qualifying building owner through a utility incentive. The associated public utility tax credit belongs to the utility, not to the mill.

Official directory or program information

business and occupation tax Credit for New Employees in Manufacturing/research and development in Rural Counties

Washington | Jobs / Rural | WA-RURALJOBS-001

Credit amount / calculation

Per-new-employee business and occupation tax credit; amount depends on wage/benefit level and employment-growth conditions.

Business fit and eligible activity

Directly relevant to qualifying manufacturing facilities in rural counties; timely application after hiring is required. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Eligibility and practical use

This is a hiring credit, not an equipment credit. It becomes interesting only when the planned headcount clears the program threshold and the new jobs satisfy wage, hours, location, and retention rules. A logging contractor should confirm that its industry or work location is within the eligible class before counting the jobs. Hiring before the required certification or reservation can jeopardize the credit.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Check application or certification requirements before incurring the qualifying expense or beginning the qualifying activity.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 2 of 3 (Conditional).

[1] Washington Department of Revenue - Tax Incentive Credits

Back to Washington Index

Customized Employee Workforce Training Credit

Washington | Training | WA-CWT-001

Credit amount / calculation

business and occupation tax credit tied to eligible training repayments.

Business fit and eligible activity

Employers repaying approved customized-training costs can receive a business and occupation tax credit. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Eligibility and practical use

This credit is aimed at the cost of changing the workforce along with the equipment. It can fit a mill installing scanners, controls, a new planer line, kiln controls, or other technology that requires incumbent employees to learn a materially different process. Routine safety meetings and ordinary orientation should not be treated as qualifying retraining without support in the program rules.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Check application or certification requirements before incurring the qualifying expense or beginning the qualifying activity.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 2 of 3 (Conditional).

[1] Washington Department of Revenue - Tax Incentive Credits

Back to Washington Index

Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] Washington Department of Revenue - Tax Incentive Credits

West Virginia

Economic Opportunity Tax Credit

West Virginia | Jobs / Investment | WV-EOC-001

Credit amount / calculation

Credit based on qualified investment and new jobs; thresholds/percentages vary by project and small-business status.

Business fit and eligible activity

Expanding businesses creating qualifying jobs and investment can earn a multi-year credit. Hiring, wages or qualifying training; where the program also requires investment, satisfy both tests.

Eligibility and practical use

This is the kind of credit that can matter to a capital-intensive mill even when the project adds only a handful of jobs. Logging equipment deserves a separate eligibility check because mobile harvesting property may be treated differently from machinery used at a manufacturing site.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Check application or certification requirements before incurring the qualifying expense or beginning the qualifying activity.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 2 of 3 (Conditional).

[1] West Virginia Tax Division - Business Tax Credits

Back to West Virginia Index

Manufacturing Inventory Tax Credit

West Virginia | Inventory | WV-INV-001

Credit amount / calculation

Credit based on eligible ad valorem tax paid on manufacturing inventory.

Business fit and eligible activity

Manufacturers can offset state corporate income tax with credit tied to local property tax paid on manufacturing inventory. Eligible inventory property tax paid; not the market value of inventory.

Eligibility and practical use

This is not tied to a new project. It matters because forest-products businesses can carry large seasonal inventories of logs, green lumber, kiln inventory, and finished product. Where the state credit is linked to local inventory tax, the benefit can recur year after year, but taxpayer type and the property classification determine whether it is actually usable.

Illustrative business benefit

Use-of-credit illustration, not an estimated award: assume the agency or completed tax form establishes a $1,000 credit for the qualifying activity described above. If sufficient eligible tax is due, a $1,000 credit available for current use reduces that tax by $1,000. If annual limits allow only $600, that is this year's saving; the other $400 survives only if the carryforward or transfer rules permit. Obtain the actual program calculation before estimating a project benefit.

Timing / first action

Tax-year claim: document eligible manufacturing inventory, the ad valorem property tax paid on it, and the taxpayer or entity requirements for the state credit. Claim only the tax actually eligible under the program.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 1 of 3 (Routine); forest-products fit 3 of 3 (Broad route).

[1] West Virginia Tax Division - Business Tax Credits

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Manufacturing Investment Tax Credit

West Virginia | Manufacturing / Investment | WV-MIC-001

Credit amount / calculation

5% of qualified manufacturing capital investment, generally taken over 10 years; annual use limited by tax-liability rules.

Business fit and eligible activity

Excellent fit for capital-intensive, low-job-growth mills because it rewards qualified manufacturing investment without requiring new jobs. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Eligibility and practical use

For a mill owner, the practical question is what property the statute treats as qualified investment. Production machinery is usually the first place to look; buildings, electrical work, software, mobile equipment, and used machinery require closer reading. Logging equipment deserves a separate eligibility check because mobile harvesting property may be treated differently from machinery used at a manufacturing site.

Illustrative business benefit

$900,000 of qualified manufacturing investment x 5% = $45,000 total credit. Spread over ten years, the annual installment is $4,500 before annual tax-liability restrictions; it is not a $45,000 first-year payment.

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Get a written answer on which property is qualified - especially buildings, installation, software, used equipment, vehicles, and mobile machinery.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 3 of 3 (Broad route).

[1] West Virginia Tax Division - Business Tax Credits

Back to West Virginia Index

Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] West Virginia Tax Division - Business Tax Credits

Wisconsin

Business Development Tax Credit

Wisconsin | Economic Development / Investment | WI-BDTC-001

Credit amount / calculation

Refundable project-specific credit under a Wisconsin Economic Development Corporation contract; capital-investment component generally requires at least $250,000 qualifying investment.

Business fit and eligible activity

Highly relevant to existing forest-products companies because Wisconsin Economic Development Corporation can certify refundable credits for capital investment, jobs and training rather than limiting support to competitive grants. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Illustrative business benefit

Assume the approved contract certifies $50,000 of refundable credits for completed capital investment, training and employment commitments. With $30,000 of eligible state tax due, the award can offset $30,000 and leave $20,000 refundable, subject to claim rules. The $50,000 is an illustrative contract award, not an inferred percentage of equipment spending.

Timing / first action

Seek approval before starting the overall project, including site work or construction. Contact the administering agency and secure the required approval before the project is publicly or contractually committed.

Refundable	Yes
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 3 of 3 (Broad route).

[1] Wisconsin Economic Development Corporation - Business Development Tax Credit

Back to Wisconsin Index

Enterprise Zone Jobs Tax Credit

Wisconsin | Economic Development | WI-EZ-001

Credit amount / calculation

Refundable project-specific components under a negotiated Wisconsin Economic Development Corporation Enterprise Zone contract.

Business fit and eligible activity

Large strategic projects can receive refundable credits for jobs, retained jobs, capital investment, training and Wisconsin supply-chain purchases. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Eligibility and practical use

This is a situational credit. It becomes useful when the project facts line up with the statutory trigger rather than simply because the applicant is a forest-products business.

Illustrative business benefit

For illustration, a negotiated and certified refundable award of $200,000 would offset $120,000 of eligible tax and leave $80,000 refundable, subject to the contract and filing rules. The award must be negotiated; a large expansion budget alone does not establish it.

Timing / first action

Seek approval before starting the overall project, including site work or construction. Contact the administering agency and secure the required approval before the project is publicly or contractually committed.

Refundable	Yes
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 3 of 3 (Complex); forest-products fit 1 of 3 (Specialized).

[2] Wisconsin Economic Development Corporation - Enterprise Zone Tax Credit

Back to Wisconsin Index

Manufacturing and Agriculture Credit

Wisconsin | Manufacturing | WI-MAC-001

Credit amount / calculation

7.5% of eligible Wisconsin manufacturing production income, subject to the applicable tax and income limitations.

Business fit and eligible activity

Major ongoing credit for businesses classified by Department of Revenue as manufacturers; tied to qualifying production income rather than a particular expansion. Qualified investment or approved project activity; confirm eligible property, location and taxpayer type.

Illustrative business benefit

$500,000 of eligible production income x 7.5% = $37,500 before limitations. Use qualified production income, not gross sales or the equipment budget.

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Confirm manufacturing property classification and the eligible production-income calculation.

Refundable	No
Transferable	No
Carryforward	Not established in the cited summary. Confirm the period before relying on unused credits.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 3 of 3 (Broad route).

[3] Wisconsin Department of Revenue - Manufacturing and Agriculture Credit Computation

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Research Credits

Wisconsin | research and development | WI-RD-001

Credit amount / calculation

Generally 5.75% of current qualified expenses exceeding 50% of the prior three-year average. Special research categories have different rates; up to 25% of the credit is refundable.

Business fit and eligible activity

Wisconsin manufacturers can claim a partly refundable research credit; certain energy-related research receives an enhanced rate. Qualified research activity. Ordinary production, routine quality control and an equipment purchase alone do not qualify.

Illustrative business benefit

With $300,000 of current qualified expenses and a $200,000 three-year average, the ordinary base is $100,000. The credit is ($300,000 - $100,000) x 5.75% = $11,500 before applicable limitations.

Timing / first action

Tax-year claim: document the eligible expense, hire or placed-in-service date and meet any separate certification deadline. Identify the technical uncertainty and start contemporaneous project records before trying to calculate the credit.

Refundable	Up to 25% under the applicable rules.
Transferable	No
Carryforward	25 years for the unused nonrefundable portion.

Screening ratings: difficulty 2 of 3 (Certified); forest-products fit 2 of 3 (Conditional).

[4] Wisconsin Department of Revenue - Research Credits

Back to Wisconsin Index

Official sources

References restart within each jurisdiction. Open the linked agency name; use the named credit or form if a directory opens.

[1] Wisconsin Economic Development Corporation - Business Development Tax Credit

[2] Wisconsin Economic Development Corporation - Enterprise Zone Tax Credit

[3] Wisconsin Department of Revenue - Manufacturing and Agriculture Credit Computation

[4] Wisconsin Department of Revenue - Research Credits

Wyoming

No direct forest-products tax-credit entry is retained in this edition. This is not a finding that no assistance exists: check federal credits and the state's current equipment, property-tax, sales-tax and economic-development programs.

Review federal credits

Help improve future editions

Readers and program staff can help strengthen future editions by sharing corrections, newly available information, and official source links.

Corrections, suggestions, and additions

Corrections, suggestions, and additions are welcome. Please email them to steve@northeastforests.com.

When possible, identify the jurisdiction and program and include an official source link.

Contributions from program staff

We especially welcome updated information from state program staff and other subject-matter experts. State personnel who are interested in a state-level publication or searchable website may also work with us as coauthors.

2026 program clarifications

Two 2026 rule changes affect carryforward and application timing. The current treatment below is reflected in the related program entries.

Program	Current treatment
Colorado - Enterprise Zone Job Training Credit	Current credits: no carryforward period is stated. The 2026 14-year provision expressly applies to the subsection (1) investment credit, not the job-training credit. Earlier guidance treated unused credits differently; confirm any unexpired legacy balance under current filing guidance.
New Hampshire - Research and Development Tax Credit	A calendar-year taxpayer claiming 2026 research applies by June 30, 2027. That cycle uses the $100,000 per-taxpayer cap and $7 million statewide pool. The pool rises to $10 million on January 1, 2028; awards are reduced proportionately if timely requests exceed the pool.

How to use these clarifications

The program entries provide details and linked official sources. For Colorado, do not assign value to unused current job-training credit without written Department of Revenue guidance. For New Hampshire, apply the 2027 cycle limits above to calendar-year 2026 research.

Publication Staff

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Steven Bick, PhD, CF, is a forest economist, consultant, and author who leads Northeast Forests LLC and directs The Forest Business School. His work spans the Northeast, Lake States, and Intermountain West, helping forest enterprises, landowners, and rural communities turn complex economic questions into practical business decisions. His experience includes business planning, financial analysis, pricing, operations, succession, and technology adoption. Through consulting, teaching, publications, and digital tools, he translates applied forest economics into strategies that help businesses evaluate opportunities, improve performance, and prepare projects for financing and implementation.

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Maura Ross

Maura Ross brings expertise in wood innovation, wood energy, funding pathways, and applied project development. Her work supports forest products businesses in evaluating new uses for wood fiber and identifying resources to advance promising projects. She combines knowledge of wood utilization opportunities with an understanding of funding and implementation needs to help businesses move from initial concepts toward practical next steps.

Custom guides and additional information

Guides and searchable websites for your audience

We develop state-level guides and searchable websites covering tax incentives and other programs related to each state's forest economy. These resources can be tailored for businesses, associations, public agencies, and regional organizations, combining relevant information, practical examples, and source links in a format readers can use. State agency personnel are welcome to work with us as coauthors, contributing local knowledge and program expertise. Contact us through the websites below to discuss a publication or online resource for your state.

Corrections and new information

We intend to update this publication annually. Corrections, suggestions, and additions are welcome. Please email them to steve@northeastforests.com.

Additional information

Visit these websites for additional information about our work and resources for forest enterprises:

www.northeastforests.com

www.loggingchance.com

www.forestenterprise.org

www.woodland-resources.com