



Commonwealth of Massachusetts

Executive Office of Economic Development
Massachusetts Office of Business Development

Economic Development Incentive Program (EDIP) Reforms

495/MetroWest Partnership – 4/10/25





Core EDIP Remains Unchanged

Companies receive *state tax credits* in exchange for *investing capital* in a project *located in Massachusetts* that will *create or retain jobs*.





Improvements for Municipalities

The Mass Leads Act *removed the requirement that the EACC approve local tax incentives* such as Tax Increment Financing and Special Tax Assessment Agreements.

- Municipalities can enter into new agreements without EACC involvement
- The EACC is still responsible for agreements entered into before November 20, 2024
- Municipalities must still submit a copy of any such agreement that is associated with an EDIP certified project.

Municipalities are encouraged, but no longer required, to provide support for a project in the form of a *municipal endorsement*.



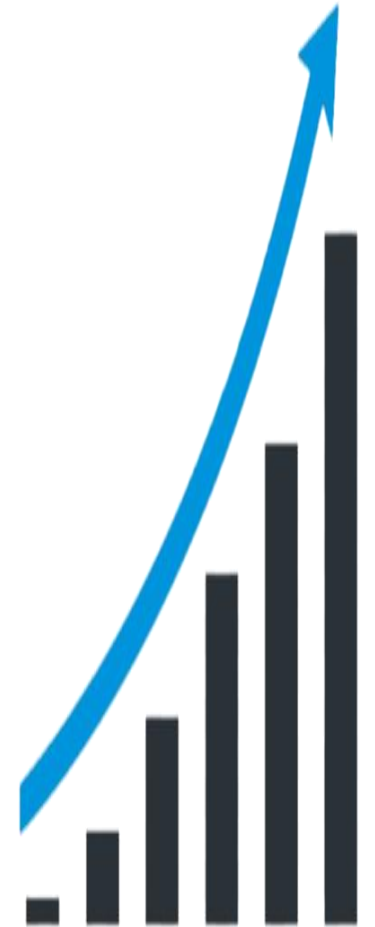


Improvements for Businesses

Allowed businesses to claim both EDIP tax credits and the 3% *Manufacturers Investment Tax Credit*.

Understanding the difficulty of proving that a project would not occur “but for” the EDIP tax credits, the requirement was changed to make the *tax credits a “significant factor”* in the business’ decision to pursue the project.

Consolidated the two-step EDIP application process into a *single application with 60% fewer questions*.



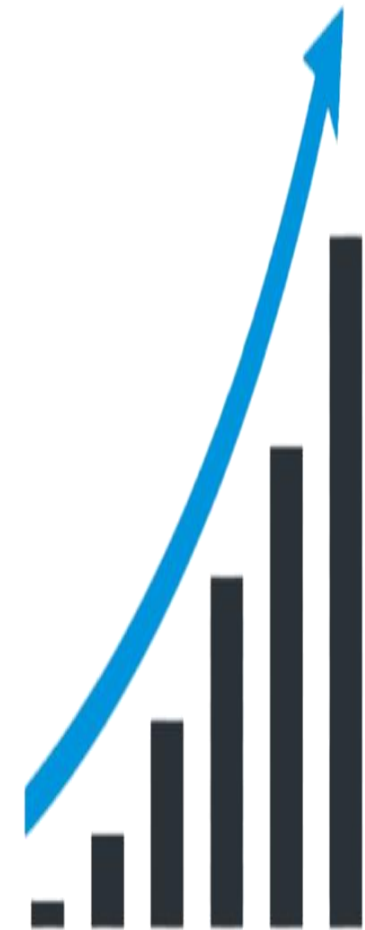


Improvements for Businesses: Tax Credits

Eliminated the \$5 million annual cap on refundable tax credits, allowing the program to award more credits to high-growth, early-stage companies that may not yet have tax liability.

Removed the limitation that companies could not claim tax credits worth more than 50% of their tax liability; companies may now claim credits worth 100% (or more) of their tax liability.

Depending on the job creation commitments and projected tax liability, businesses will first be awarded non-refundable tax credits that reduce up to 100% of their anticipated tax liability. The business may receive refundable tax credits if the award exceeds the business' projected tax liability, or if the business has no tax liability.





Improvements for Businesses: Awards

Clarified that *typically award recommendations range from \$10,000-\$15,000 per job* created or retained and the factors that go into an award recommendation, including but not limited to:

- ***Location of Project*** - Gateway City, small town/rural community, or area of economic need.
- ***High-Priority Sector*** - Technology, artificial intelligence, climatetech, advanced manufacturing, medical or robotics industries.
- ***Quality of Job Creation*** - Wages and benefits offered.
- ***Emerging Company*** - High-growth potential for significant and rapid job creation.
- ***Headquarters*** - Primary business operations established in MA and create significant number of new jobs in a short period of time.
- ***Other Competitive Circumstances*** - Project has regional or statewide significance or benefits the Commonwealth at large.





Improvements for Businesses: RFP

Developed a ***Request for Proposals document*** that incorporates EDIP policies and regulations and provides a comprehensive view of the program. In this document, businesses will be able to easily find information on:

- the purpose of EDIP;
- an overview of the application process and the data that will be collected;
- details about project eligibility and evaluation;
- award recommendation factors;
- the role of the EACC; and
- post approval information such as contracting, use of tax credits, compliance, and annual reporting.



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