

# DESIGNED / MADE IN

# LOS ANGELES



## WHAT IS DESIGNED/MADE IN LOS ANGELES?

(D/MinLA) is a series of short- and long-term Mayor's Office initiatives to support the ever-advancing apparel industry in Los Angeles.

Mayor Antonio Villaraigosa has supported the industry throughout his tenure and continues to do so with this forward-looking campaign.

**As consumers express a renewed enthusiasm for “Made in USA” products, apparel manufacturing firms are flocking to Los Angeles to be part of the “LA style”.**

Los Angeles is the largest apparel manufacturing hub in the U.S., with fully vertical production capabilities.

**Los Angeles is the home of contemporary, premium denim, and sportswear.**

Our manufacturers are expert producers of fast-fashion products.

**Los Angeles offers a comprehensive set of business incentives that makes us competitive with neighboring cities.**

We have worked hard to create a business-friendly environment in Los Angeles by making available a number of incentives provided by the city and state.

***Los Angeles Business Incentives*** 

For more information, contact:

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**California STEP**

**Exporting made easier for California Small Businesses**

The STEP program is funded in part through a grant award by the U.S. Small Business Administration (SBA). Funding is not an endorsement of any product, opinion, or service. No federal grant funds are being used for any entertainment costs associated with trade promotion or export marketing activities. All Federal and State funded programs are extended to the public on a nondiscriminatory basis. Special arrangements for individuals with disability will be made if requested in advance.

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## Bring Your Apparel Business to LA with these Los Angeles Business Incentives

### **Business Tax Holiday**

New Business is exempt for paying the City of Los Angeles Gross Receipts Tax (i.e. Business Tax) for the first three (3) tax years of operation.

### **Employer Hiring Tax Credit**

Tax credit to reduce taxpayer's state income tax equal to 50% of the qualified wage (up to 150% of minimum wage) in Year 1 of employment; 40% in Year 2; 30% in Year 3; 20% in Year 4 and 10% in Year 5.

### **Sales or Use Tax Credit**

In any year, individuals and partnerships may claim a credit equal to the sales or use tax paid or incurred on the purchase of qualified property not to exceed \$1 million.

### **Electricity Rate Subsidy**

The Los Angeles Department of Water and Power offers a five-year electric rate discount to businesses newly located in an SEZ or existing customers in such zones who increase energy consumption by 35%.

### **Business Expense Reduction**

Offers accelerated depreciation of qualified personal property purchased for exclusive use in the Zone (equipment, furnishings, etc.) It does not include non-depreciable property such as office supplies. Taxpayers may claim up to a maximum of \$20,000.

### **Sales or Use Tax Credit**

Taxpayer may write off 100% of the current sales tax paid for:

- Qualifying machinery and parts purchased for use in the Zone
- Equipment purchased such as computers, copiers, fax machines, and telephones for use in the Zone

### **Net Operating Loss Carry Forward**

100% of Net Operating Loss can be carried forward up to 15 years to reduce taxable Zone income for those years.