

Niagara Region Incentive Review:

Summary of Employment Incentives Within Canada and the United States.

The purpose of this summary is to outline how Niagara Region uses incentives to attract employers to the Region. The Niagara Region has an Incentive Policy into which the Employment related incentives are found and located within the Employment Priority Area.

The Employment Priority Area was created out of a recognition that attracting and retaining Employment is a Council Strategic Priority objective. Within the current global business climate, the Region competes with the rest of the World. Specifically, the Region competes with other Upper Tier and Lower Tier municipalities throughout Ontario, municipalities in other Provinces, and even across the border in the United States.

The USA can offer a range of lucrative financial incentives that Canada does not. Canada's incentives emphasize innovation and clean technology through R&D support, while the U.S. offers a broader range of tax credits and incentives for job creation and investments in underserved areas.

To this end, the Niagara Region maintains robust incentives to remain competitive in attracting investment opportunities. To stand out, Niagara offers compelling financial incentives and support structures to attract businesses. By maintaining and enhancing incentive programs and ensuring these meet global standards, Niagara is attracting high-quality investments that drive economic growth and development. For example, recently, the Niagara Region in partnership with the City of Port Colborne was able to attract Asahi Kasei Separator Plant, a multi-billion dollar direct foreign investment, compared Niagara to other locations in North America.

Attracting new employers, like Asahi Kasei, was highlighted through the engagement with the Area Municipalities that reinforced the extensive capability of the Region to promote Niagara through the employment priority area suite of programs.

Below is summary of incentives that are offered within Canada and the USA which large employers weigh to determine where to establish.

Canada vs USA Incentives:

Industrial businesses in Canada and the United States can benefit from various federal, state/provincial, and local/regional incentives, each with distinct focuses.

In Canada, federal programs like the Scientific Research and Experimental Development (SR&ED) Program, Strategic Innovation Fund (SIF), and Accelerated Investment Incentive provide significant tax credits and support for innovation and Research and Development (R&D). Provincial programs, such as the Ontario Innovation Tax Credit (OITC) and Alberta Investment Tax Credit (AITC), further bolster these efforts. Regional initiatives, like the Niagara Gateway Economic Zone CIP, offer targeted local incentives.

In the United States, federal incentives include the New Markets Tax Credit (NMTC), Opportunity Zones, and the Investment Tax Credit (ITC), which support investments in low-income areas and renewable energy. State programs, such as the California Competes Tax Credit and Texas Enterprise Fund, focus on job creation. Local agencies, like the New York City Industrial Development Agency (NYCIDA) and Detroit Economic Growth Corporation (DEGC), provide tax abatements, grants, and training. Both countries provide substantial support, with specific advantages based on business focus.

Niagara Canada vs. Niagara USA:

Businesses in Niagara, Canada, do not have access to various industrial financial incentives available just across the border in Buffalo, New York. One notable program is the Recharge NY initiative, which provides low-cost power to businesses in exchange for job creation and retention commitments. This program helps significantly reduce operational costs for energy-intensive industries, offering a competitive advantage to businesses operating in New York State.