



Office of Economic Development and Competitiveness

Competitive Landscape - Life Science Sector*

	WASHINGTON	CALIFORNIA	FLORIDA	MASSACHUSETTS	NORTH CAROLINA	TEXAS
# of State Incentives	2	6	7	7	7	6
% Growth '03-'13	2.63%	18.25%	8.42%	15.21%	19.71%	15.61%

	WASHINGTON	CALIFORNIA	FLORIDA	MASSACHUSETTS	NORTH CAROLINA	TEXAS
BASELINE	R&D Tax Credit	EXPIRED	X	X	X	X
	R&D Sales Tax Deferral	EXPIRED	X	X	X	X
ECOSYSTEM	Research Incentive	X	X	X	X	X
	Technology Transfer Incentive	ELIMINATED	X	X	X	
	Early Stage Capital Incentive			X	X	X
	Business Climate Incentive	X**	X	X	X	X
	Workforce Incentive		X	X	X	X

*As of October 2015

** Washington's biotechnology & medical device manufacturing sales & use tax deferral/waiver set to expire January 1, 2017

- **R&D Tax Credit:** Reduction in state income or gross receipt liability
- **R&D Sales Tax Deferral:** Reduction in state sales and or property tax liability
- **Research Incentive:** Incentives to encourage research
- **Technology Transfer Incentive:** Programs to assist in business formation
- **Early Stage Capital Incentive:** Programs to fund or encourage funding in start-up companies
- **Business Climate Incentive:** Foundational elements to help businesses succeed. Infrastructure, tax policy, etc.
- **Workforce Incentive:** State supported programs to build a sustainable workforce

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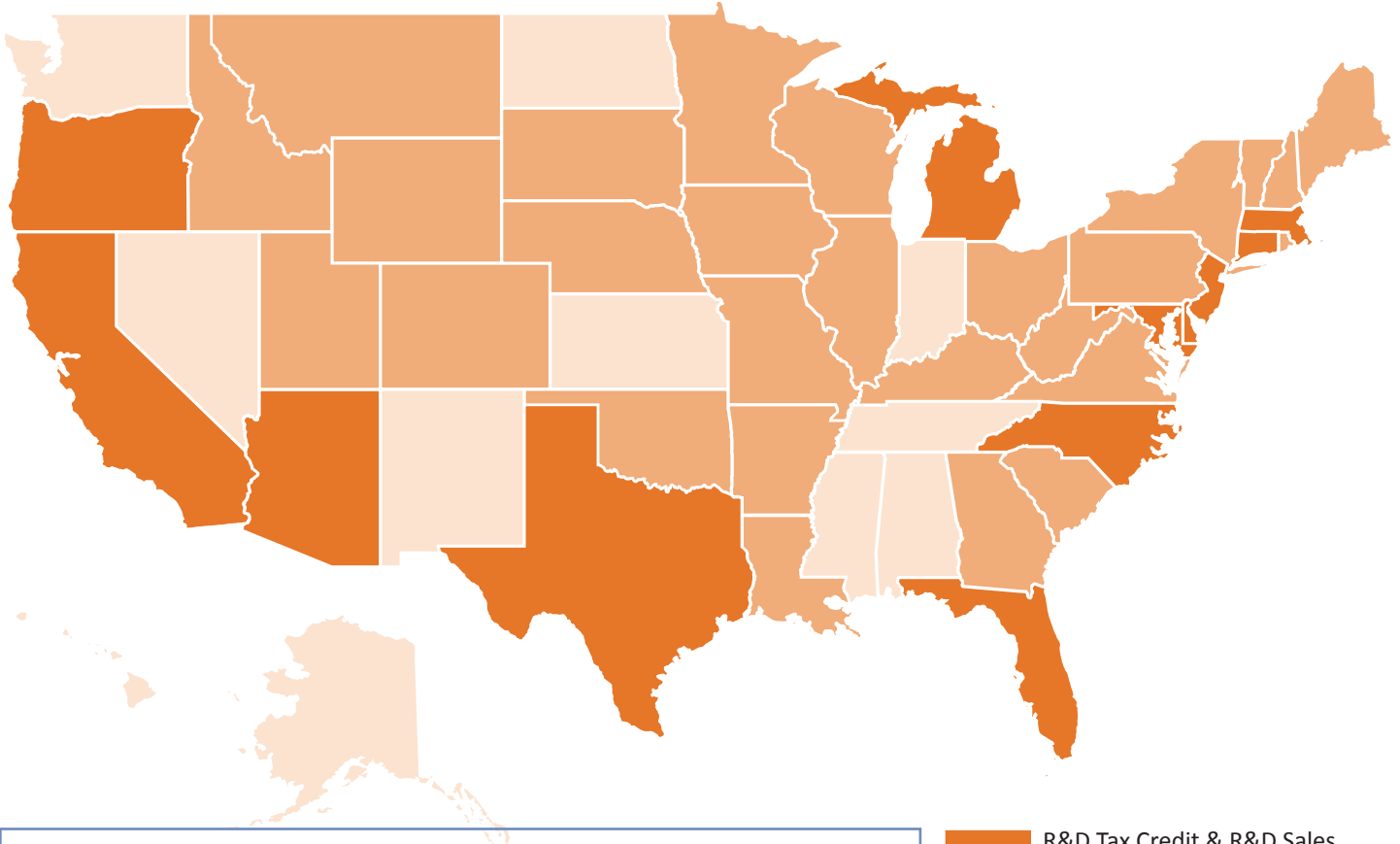
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State-by-State Comparison of Life Science Incentive



Washington's Competitiveness




Washington State's life science and global health sector is built on billions of dollars of federal funding that flows to our globally recognized universities and non-profit research institutes. State policy plays a central role in translating that research funding into vibrant local companies and jobs. Our analysis indicates that states that provide: 1) baseline R&D tax incentives; and 2) support programs or public-private partnerships in at least 3 out of 5 key ecosystem areas expand employment at dramatically higher rates than state that don't.

Baseline Incentives, R&D Tax Credit and R&D Sales Tax Deferral

In Washington, the research & development tax credit and research & development sales tax deferral expired on December 31, 2014.

Targeted Incentives

What sets the competitor states apart from the 25 other states that have invested in the baseline incentives is their proactive targeted incentive investment in at least 3 of the 5 categories identified to support this sector—research, technology transfer, early stage capital, business climate, and workforce.

-  R&D Tax Credit & R&D Sales Tax Deferral AND at least 3 ecosystem incentives by the state
-  R&D Tax Credit & R&D Sales Deferral OR at least 3 ecosystem incentives by the state
-  No R&D Tax Credit & R&D Sales Deferral. Less than 3 ecosystem incentives by the state

*** The following states do not have sales tax: Alaska, Montana, New Hampshire, Delaware, Oregon*