

ECONOMIC DEVELOPMENT TRANSFERRABLE TAX CREDITS

FY 2017, FY 2018, AND FY 2019 ESTIMATES FOR THE TESLA GIGAFACTORY AND FARADAY FUTURES PROJECTS

ESTIMATES FOR THE ECONOMIC FORUM DECEMBER 6, 2016, MEETING					
<u>Tesla Gigafactory Project</u>	FY 2016	FY 2017	FY 2018	FY 2019	
Tax Credits for Qualified Employees	\$ 1,150,000	\$ 2,987,500	\$ 11,487,500	\$ 25,000,000	
Tax Credits for Capital Investment	\$ 19,311,554	\$ 33,488,446	\$ 19,600,000	\$ 19,600,000	
TOTAL	\$ 20,461,554	\$ 36,475,946	\$ 31,087,500	\$ 44,600,000	
<u>Faraday Futures Project</u>					
Tax Credits for Qualified Employees			\$ 475,000	\$ 3,325,000	
Total: Tesla and Faraday Projects	\$ 20,461,554	\$ 36,475,946	\$ 31,562,500	\$ 47,925,000	

ESTIMATES AS APPROVED BY THE TAC AT THEIR NOVEMBER 29, 2016, MEETING					
<u>Tesla Gigafactory Project</u>	FY 2016	FY 2017	FY 2018	FY 2019	
Tax Credits for Qualified Employees	\$ 1,150,000	\$ 4,087,500	\$ 10,387,500	\$ 25,000,000	
Tax Credits for Capital Investment	\$ 19,311,554	\$ 33,488,446	\$ 19,600,000	\$ 19,600,000	
TOTAL	\$ 20,461,554	\$ 37,575,946	\$ 29,987,500	\$ 44,600,000	
<u>Faraday Futures Project</u>					
Tax Credits for Qualified Employees			\$ 1,425,000	\$ 2,375,000	
Total: Tesla and Faraday Projects	\$ 20,461,554	\$ 37,575,946	\$ 31,412,500	\$ 46,975,000	

ESTIMATES PROVIDED BY GOED FOR THE TAC NOVEMBER 29, 2016, MEETING					
<u>Tesla Gigafactory Project</u>	FY 2016	FY 2017	FY 2018	FY 2019	
Tax Credits for Qualified Employees	\$ 1,150,000	\$ 2,025,000	\$ 12,450,000	\$ 25,000,000	
Tax Credits for Capital Investment	\$ 19,311,554	\$ 33,488,446	\$ 19,600,000	\$ 19,600,000	
TOTAL	\$ 20,461,554	\$ 35,513,446	\$ 32,050,000	\$ 44,600,000	
<u>Faraday Futures Project</u>					
Tax Credits for Qualified Employees			\$ 1,425,000	\$ 2,375,000	
Total: Tesla and Faraday Projects	\$ 20,461,554	\$ 35,513,446	\$ 33,475,000	\$ 46,975,000	

Tesla

Eligible for \$45 million per year for fiscal years 2016, 2017, 2018, and 2019
Total eligibility through end of next biennium is \$180 million

Employment Tax Credits

Earned at rate of \$12,500 per employee
Maximum 6000 employees
Maximum TTC award for employment of \$75 million
Employee must be employed 90 days prior to end of fiscal year to qualify
Therefore, employees must be hired by March 31, 2018 for TTC award in next biennium

Tesla estimates 3250 qualified employees will be employed by March 31, 2018

Investment Tax Credits

TTC earned at rate of 5% of first \$1 billion invested, 2.8% of amount invested between \$1 billion and \$3.5 billion
Maximum TTC award for investment of \$120 million
Investment must be made by March 31, 2019 for TTC in next biennium

Tesla estimates \$2.5 billion investment on the site by March 31, 2019

Employment TTC awarded by June 30, 2019

Number of employees	3,250	
Amount per employee	\$ 12,500	
Total TTC Awarded		\$ 40,625,000

Investment TTC awarded by June 30, 2019

Investment up to \$1 billion	\$ 1,000,000,000	
Percentage	5.0%	
TTC Awarded		\$ 50,000,000
Investment between \$1 billion and \$3.5 billion	\$ 1,500,000,000	
	2.8%	
		\$ 42,000,000

Total TTC Awarded

From inception of program to June 30, 2019		\$ 132,625,000
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Faraday Future

Eligible for \$7.6 million in each of fiscal years 2018 and 2019

Earned at rate of \$9,500 per employee

Maximum 4000 employees

Maximum TTC award for employment of \$38 million - up to \$15.2 million may be awarded by June 30, 2019

Employee must be employed 90 days prior to end of fiscal year to qualify

Therefore, employees must be hired by March 31, 2018 for TTC award in next biennium

Employment TTC awarded by June 30, 2019

Number of employees

400

Amount per employee

\$ 9,500

Total TTC Awarded

\$ 3,800,000

Budget vs. Projection

Total Statutory Available TTC

Tesla

\$180,000,000

Faraday Future

\$15,200,000

\$195,200,000

Total Projected TTC Awarded by June 30, 2019

Tesla

\$ 132,625,000

Faraday Future

\$ 3,800,000

\$ 136,425,000

Difference

\$58,775,000

Budget by Fiscal Year

Tesla

Fiscal Year Awarded	Actual 2016	2017	2018	2019	Total
Employees	92	239	919	2,000	3,250
Award Per Employee	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500
	\$ 1,150,000	\$ 2,987,500	\$ 11,487,500	\$ 25,000,000	\$ 40,625,000
Investment up to \$1 billion	\$ 386,231,084	\$ 613,768,916			\$ 1,000,000,000
Award percentage	5.0%	5.0%			5.0%
	\$ 19,311,554	\$ 30,688,446			\$ 50,000,000
Investment between \$1 billion and \$3.5 billion	\$ -	\$ 100,000,000	\$ 700,000,000	\$ 700,000,000	\$ 1,500,000,000
		2.8%	2.8%	2.8%	2.8%
	\$ -	\$ 2,800,000	\$ 19,600,000	\$ 19,600,000	\$ 42,000,000
Total TTC Awarded	\$ 20,461,554	\$ 36,475,946	\$ 31,087,500	\$ 44,600,000	\$ 132,625,000
Total TTC Available	\$ 45,000,000	\$ 45,000,000	\$ 45,000,000	\$ 45,000,000	
Cumulative		\$ 90,000,000	\$ 135,000,000	\$ 180,000,000	
Total Available but not awarded	\$ 24,538,446	\$ 33,062,500	\$ 46,975,000	\$ 47,375,000	

Faraday Future

Employees	50	350	400	
Award per Employee	\$ 9,500	\$ 9,500	\$ 9,500	
Total TTC Awarded	\$ 475,000	\$ 3,325,000	\$ 3,800,000	
Total TTC Available	\$ 7,600,000	\$ 7,600,000		
Cumulative	\$ 7,600,000	\$ 15,200,000		
Total Available but not awarded	\$ 7,125,000	\$ 11,400,000		

Tesla and Faraday Future

		Actual				
		<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	
TTC available	Tesla	\$ 45,000,000	\$ 45,000,000	\$ 45,000,000	\$ 45,000,000	
	FF			\$ 7,600,000	\$ 7,600,000	
	Total	\$ 45,000,000	\$ 45,000,000	\$ 52,600,000	\$ 52,600,000	
TTC Awarded	Tesla	\$ 20,461,554	\$ 36,475,946	\$ 31,087,500	\$ 44,600,000	
	FF			\$ 475,000	\$ 3,325,000	
	Total	\$ 20,461,554	\$ 36,475,946	\$ 31,562,500	\$ 47,925,000	
TTC Available, Not Awarded	Tesla	\$ 24,538,446	\$ 33,062,500	\$ 46,975,000	\$ 47,375,000	
	FF			\$ 7,125,000	\$ 11,400,000	
	Total	\$ 24,538,446	\$ 33,062,500	\$ 54,100,000	\$ 58,775,000	
Projection (Cumulative)	Total Allocated	\$ 45,000,000	\$ 90,000,000	\$ 142,600,000	\$ 195,200,000	
	Total Awarded	\$ 20,461,554	\$ 65,925,000	\$ 100,700,000	\$ 136,425,000	
	Difference	\$ 24,538,446	\$ 24,075,000	\$ 41,900,000	\$ 58,775,000	