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Incentives

Victoria and Texas have a tax structure that's friendly to business including no state income tax. Tax incentives, abatements, and training programs are all designed to attract business to our community.

If you have questions about your business and possible tax advantages to locating in Victoria, please contact the VEDC office at vedc@victoriaedc.com or telephone 800-765-8198, 361-485-3190. We will be happy to work with you and answer any questions you might have.

Available Incentives

Type B Sales Tax Corporation Grants

Selected use of 4B Sales Tax Corporation funds may be available for qualifying businesses in support of capital investment in real property or added infrastructure. The amount of the grant is dependent upon the company investment, job creation, and payroll.

Triple Freeport Tax Exemption

The City of Victoria, Victoria County, Victoria Independent School District, and Bloomington Independent School District all allow Freeport exemption on certain types of tangible personal property (i.e., inventory) from ad valorem (property) taxation provided the property is:

- Acquired in or imported into Texas to be forwarded out of the state.
- Detained in Texas for assembling, storing, manufacturing, processing, or fabricating purposes by the entity acquiring or importing it.
- Transported out of state within 175 days after the date acquired or imported it into Texas.

Foreign Trade Zone

Foreign Trade Zone No. 155 is located in Calhoun and Victoria counties and is managed by Calhoun-Victoria Foreign Trade Zone Inc. A sub-zone of FTZ 155 could be created at the proposed site. It offers operational and financial benefits to reduce operating costs associated with a U.S. location. Specifically, both foreign and domestic cargoes can be moved into the FTZ without formal Customs entry, without payment of duties or excise taxes, and without inclusion in quotas or other import restrictions. A zone user is able to avoid ad valorem taxes on all merchandise in the zone that is of foreign origin or which is destined for export.

Sales & Use Tax Refunds

The state levies a sales and use tax of 6.25% on sales of tangible personal property and certain services. The City of Victoria and Victoria County add an additional sales tax of 2.0% making the total combined rate of 8.25%. There are exemptions for groceries, medicine, property for resale, manufacturing equipment and many items used exclusively on farms and ranches for food production.

Tax Abatement

The City and County of Victoria have established guidelines for the creation of reinvestment zones and granting tax abatements. Manufacturing, research or regional service facilities, distribution centers and other basic industries are eligible to apply. Economic qualifications include an increase to the appraised value of the property equal to or in excess of \$500,000. In addition, the company must add a minimum of ten full-time positions. Abatements are granted for up to eight years.

Texas Enterprise Zone

Both Victoria County and the City of Victoria have state designated Enterprise Zones. Businesses locating in an Enterprise zone may be eligible for both local and state benefits. To be eligible for state benefits, a business must be nominated by the appropriate governing body and designated by Texas Department of Economic Development as an enterprise project. To obtain benefits as a qualified business, the business must be active in the zone and at least 25% of the new positions must be occupied by persons that are residents of any zone within the governing body's jurisdiction or economically disadvantaged as defined by state law.

Skills Development Grant For Job Training

Skills Development Fund grants can cover tuition, curriculum development, instructor fees and training materials.

The Skills Development Fund is Texas' premier job-training program providing training dollars for Texas businesses and workers. The program is designed to assist businesses throughout the state by providing industry specific training taught on the main campus and on-site. Administered by the Texas Workforce Commission, success is achieved through collaboration among businesses, public Community and Technical colleges, Local Workforce Development Boards and economic development partners.

The Victoria College has successfully accessed over \$9.1 million through the state's Skills Development Fund. The Victoria College is an open admissions two-year community college offering freshman and sophomore academic transfer courses, and a variety of one- and two-year technical training programs.

Opportunity Zones

There are seven Certified Opportunity Zones designated in Victoria County, Texas to spur economic development. Investments in these areas of our community may be eligible for preferential tax treatment under certain conditions according to the [U.S. Internal Revenue Service](#).