

Board OKs tax credit for 3rd California electric car company

June 17 2016, by Juliet Williams

A state board on Thursday approved \$10 million in tax credits for NextEV USA, the latest electric vehicle company to establish its U.S. headquarters in California.

The company with Chinese financing based in San Jose, California, is the third in the hyper-competitive electric car market to receive a multimillion-dollar tax credit from California Competes, a board that hands out credits to promote job creation.

NextEV is promising to create more than 900 research and development [jobs](#) in California by 2020 in exchange for the tax credits, which were among nearly \$47 million approved Thursday.

The company's first commercial vehicles are slated to go to market in China next year, NextEV attorney Paula Brown told the board, but the "brains and the heart of that car is Silicon Valley."

NextEV has not decided where to conduct its manufacturing, but is considering California, Brown said. The jobs being added will be primarily in research, engineering and design, and could include a San Francisco design center, she said.

"2019 will be a global vehicle, which means it has to be much higher safety standards than the vehicle that we're planning for China," Brown said.

Gov. Jerry Brown's administration previously awarded \$15 million for Tesla for 4,400 jobs. Tesla opted last year to build its new battery plant in neighboring Nevada.

The administration also approved \$12.7 million for Glendale-based Faraday Future, which has promised to create nearly 2,000 jobs at facilities in Gardena, Rancho Dominguez, San Jose and Redwood City by 2020. The Chinese-owned company also has broken ground on a Nevada manufacturing facility.

Other credits approved Thursday include:

— \$6 million to OWB Packers Inc. to create 605 jobs in Brawley, in the Imperial Valley near the Mexican border.

— \$3 million to Pabst Brewing Company to create 328 jobs in northern or central California.

— \$3 million to GreenPower Motor Company Inc., an electric bus manufacturing company, to create 190 jobs in Porterville.

— \$1.6 million to Qico Inc., a cremation equipment manufacturer, to create 80 jobs in San Diego.

The board also rescinded three tax credits after the companies said they would not meet their job creation targets, including \$1.5 million approved for IBM, which had promised to invest nearly \$90 million in office space, furniture and fixtures and hire 84 full-time employees in San Francisco by 2017 at a minimum annual salary of \$135,000.

The state Franchise Tax Board reviews the businesses after the tax credits are approved, but it does not make those records public.

In response to a California Public Records Act request from The Associated Press about the IBM tax credit, the agency released a one-page document that said "Go-Biz determined that IBM will not meet its milestones and that it is in the best interest of California" for the credit to be returned. It said IBM did not object.

In a statement provided to the AP, the [company](#) noted that it never collected any of the tax credits.

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