



## **Newport Job Development Incentive Program for Licensed Professionals**

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### Purpose:

1. Attract new, high paying jobs to the community to provide employment opportunities to residents.
2. Bring professional and medical practices closer to residents and local businesses that desire such services.
3. Increase City revenues to improve the local quality of life.

### Eligible Applicants:

1. A sole proprietorship, partnership, or corporation that engages in the services of a licensed professional, such as, but not limited to, architects, attorneys, engineers, physicians, psychiatrists, psychologists and certified public accountants.
2. Applicants shall be required to submit a copy of their professional license or certificate.

### Employee Withholding Credit:

1. The City's withholding rate is 2.5% of employee earnings.
2. If approved after review by the JDIP Committee and the City Commission, an applicant can retain a percentage of the employees' withholdings generated by the new jobs for a period of up to 10 years. The maximum percentage that can be approved and retained is 40%.

**EXAMPLE:** A medical practice desires to open a location in Newport and has \$1,000,000 in new Newport taxable wages. After negotiations with the City, the practice is awarded a 35% credit for 7 years.

Annual Credit (Actual New Taxable Payroll x Rate x Credit)

$$\$1,000,000 \times .025 \times .35 = \$8,750$$

Total Credit (Annual credit x Term)

$$\$8,750 \times 7 = \$61,250$$

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