



Commonwealth of Massachusetts
Executive Office of Economic Development
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Request for Proposals (RFP)

2025 Economic Development Incentive Program

Program Guidelines

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A. INTRODUCTION & PROGRAM OVERVIEW

The Economic Development Incentive Program (EDIP) is designed to foster the creation of quality full time jobs in every corner of the Commonwealth by responsibly awarding attractive tax credits to businesses committed to starting and growing in Massachusetts. The program directs awards to projects that leverage private investments to create jobs and generate new economic activity across the Commonwealth. Approved projects typically receive an award aligned with their job creation commitment and other evaluative factors.

EDIP is now part of **The Business Front Door**, a single portal that provides the most relevant resources available for each individual business and connects each business with a single point of contact to help address their business needs. To access the EDIP application, businesses must register at [Business Front Door | Mass.gov](https://businessfrontdoor.mass.gov) and select “Explore Resources.”

After registering for the Business Front Door and being presented with EDIP as a potential resource, the business may seek EDIP tax credits by submitting a project application through the Business Front Door. Each business may submit only one project application at a time and the project must adhere to one of the following project types:

- Out-of-State relocation project: the relocation of business and permanent full-time employees from outside the Commonwealth to a location within the Commonwealth.
- Expansion project: the expansion of an existing facility located in the Commonwealth that results in a net increase in the number of permanent full-time employees at the expanded facility.
- In-state relocation project: the relocation of a business from one location in the Commonwealth to another location in the Commonwealth that results in a net increase in the number of permanent full-time employees.
- Retention project: a project that enables a controlling business to retain at least 50 permanent full-time employees at a facility located in a Gateway City or in an adjacent city or town that is accessible by public transportation to residents of a Gateway City and such jobs otherwise would be relocated outside of the Commonwealth.

Once a timely and complete application is received, the Massachusetts Office of Business Development (MOBD) will review and evaluate the project for eligibility and may make a recommendation for the Economic Assistance Coordinating Council (EACC) to certify the project and award tax credits. Upon certification of the project, the business is required to enter into a contract with MOBD detailing its obligations to access the tax credits. The remainder of this document provides additional details on each of these steps.

B. PROJECT APPLICATION

The project application is broken down into four sections:

Section 1: Business Information

This section requests basic information about the business undertaking a proposed project and intending to claim EDIP tax credits, including the project location, whether the property will be owned or leased, percentage of out-of-state sales, and business contact information.

Section 2: Project Information

This section requests information about the proposed project, including details of the capital investments, source of funds, the amount, timeline, and details of the jobs to be created, and how the tax incentive will further the project objectives.

Section 3: Local Information

This section demonstrates local and regional support for the project by requesting information about any local incentives offered, letters of support, and whether the project will be using Massachusetts-based contractors.

Section 4: Supplemental Information

The final section includes affirmations, authorizations, disclosures, and signature of the application.

C. PROJECT ELIGIBILITY AND EVALUATION

Once a business has submitted a complete application, MOBD will carefully review each project application's eligibility to confirm that the following conditions have been met:

- 1) The project is located in Massachusetts
- 2) The project will create new jobs (or retain at least 50 jobs in a Gateway City)
- 3) The project appears to be economically feasible for the business
- 4) The tax incentive is a substantial factor in the business' decision to pursue the project in Massachusetts.

MOBD will evaluate each eligible project application according to the following criteria:

Category	Description
Job Commitment and Capital Investments	Project applications are evaluated on the amount, type, timing and compensation (wages and benefits) of net new jobs created and the amount of capital to be invested by the business in the project.
Project Strength	Businesses are required to clearly describe the project, demonstrate it is achievable, and describe the anticipated economic or public benefits. Additional evaluation criteria include use of Massachusetts-based contractors and percentage of sales that will occur outside of the Commonwealth.

Project Support	Businesses should identify and describe municipal support of the project, if any, including local incentives or endorsements, impact of the project on the municipality and the region, and commitments to use local contractors for the project.
Alignment with Economic Priorities	Project applications are reviewed to determine whether the business is in a high-priority sector (listed below), the maturity of the business, and whether the business has committed to hiring diverse contractors.
Location Characteristics	Project applications are evaluated on whether the project is located in a Gateway City, small town, or rural community and how the project supports or enhances the local and regional economy.
Incentive Impact	Businesses should identify the significance of the incentive to the business' decision to undertake the project.
Compliance with Prior EDIP Award	Businesses must disclose if they, or an associated business, achieved its commitments from any previously certified EDIP project.

Municipal Contributions - Municipal contributions will be considered, but not required, when evaluating a proposed project for certification and determining an award amount and may be in the form of a tax increment financing or special tax assessment property tax exemption, investments in infrastructure or some other form of “in-kind” municipal support specific to the proposed project. Such contributions shall be detailed in a municipal project endorsement, if applicable. The EDIP program has a strong preference for partnering with municipalities to achieve successful projects, however, it reserves the right to award EDIP tax credits to any proposed project that has the potential to drive economic growth, has regional or statewide significance, or benefits the Commonwealth at large, notwithstanding the absence of local support.

D. AWARD RECOMMENDATIONS

After reviewing an application for eligibility and evaluating the proposed project, MOBD may make a recommendation to certify the proposed project, award non-refundable or refundable tax credits and a schedule on which the credits may be claimed.

Average awards are anticipated to be between \$10,000 and \$15,000 per job but may vary based on other considerations including, but not limited to:

- Whether the project is located in a Gateway City, a small town, a rural community, or an area of economic need.
- Whether the project is in a high-priority sector, such as technology, artificial intelligence, climate technology, advanced manufacturing, medical or robotics industries.
- The wages of jobs to be created and benefits offered.
- Whether the applicant is an emerging company with high-growth potential for significant and rapid job creation.

- Whether the project would establish primary business operations, including executive management and support staff, in the Commonwealth and create a significant number of new jobs in a short period of time.
- Other competitive circumstances such as the project having regional or statewide significance or benefiting the Commonwealth at large.

A business awarded EDIP tax credits will first receive non-refundable tax credits that reduce up to 100% of their anticipated tax liability, if any exists. A business may receive refundable tax credits if an award exceeds its anticipated tax liability or if it has no tax liability.

A business that submitted a project application that is not selected to receive an award may contact MOBD and receive feedback on how to strengthen their project application.

E. ECONOMIC ASSISTANCE COORDINATING COUNCIL

The Economic Assistance Coordinating Council is the public body responsible for certifying proposed projects, approving tax credit awards, and decertifying projects that are out of compliance. The EACC will review the project and MOBD's award recommendation at its scheduled public meeting and vote on each project. Completed project applications are due approximately six weeks before the posted meeting date. The EACC typically meets quarterly in March, June, September, and December. Specific dates and deadlines are available on the [MOBD webpage](#).

F. POST-APPROVAL INFORMATION

1) Contracting

Upon project certification, the business is required to enter into a contract with MOBD that will identify its obligations, including the amount and schedule of jobs to create, capital investment commitments and tax credits awarded ("EDIP Contract"). Failure of a business to execute and return an EDIP Contract within 60 days of certification, or other reasonable timeframe, may revoke the approval to certify the project and award EDIP tax credits.

Any material change to the EDIP Contract shall not be made without prior authorization and an executed written amendment. A business seeking an amendment of an EDIP Contract shall submit a written letter to MOBD detailing the reason for such amendment and certifying that the project otherwise remains compliant with the terms of the EDIP Contract and the business is in good standing with the Massachusetts Department of Revenue, Department of Unemployment Assistance and Secretary of Commonwealth.

A business awarded EDIP tax credits is required to authorize and consent, in the EDIP Contract, to the Massachusetts Department of Revenue providing the MOBD with information about the business necessary to ensure the proper operation and compliance of EDIP including, but not limited to, tax return and wage reporting information to verify the amount and tax year EDIP tax credits are claimed or fulfillment of job creation, job retention and investment commitments.

2) Tax Credits

EDIP tax credits authorize a business to claim a credit in an amount authorized by its EDIP Contract to reduce their tax liabilities up to 100% in a specified taxable year. The amount of tax credits awarded, type of tax credits (non-refundable or refundable) and schedule on which the credits may be claimed will be set forth in the EDIP Contract. Businesses receiving refundable tax credits must first apply the credit against its tax liability.

Any changes to the EDIP tax credit schedule provided in the EDIP Contract shall not be altered without prior authorization and executing a written amendment. A business seeking an amended schedule for the following year shall submit a written letter to the MOBD by November 15th detailing the reason for such amendment and certifying that the project otherwise remains compliant with the terms of the EDIP Contract and the business is in good standing with the Massachusetts Department of Revenue, Department of Unemployment Assistance and Secretary of Commonwealth.

3) Reporting

At the end of each calendar year, a business with a certified EDIP project is required to report information on the project, including number of permanent full-time employees, capital investments and other relevant information necessary to determine project compliance (see Section G below). Failure to submit a timely annual report can result in revocation of project certification.

4) Transfer of Certified Project

A certified project will not lose its status upon a transfer of the certified project to another business entity, provided that:

- The business with a certified project duly executes an instrument of assignment with the successor business; and
- The assignment is approved based on a determination that the successor business has the intention and capacity to carry out the duties and obligations of the certified project.

5) Completion and Close-Out of Certified Project

MOBD will review annual reports to determine whether the business has substantially achieved its job and investment obligations set forth in the EDIP Contract. A certified project that is deemed complete will receive notification that:

- The certified project has substantially achieved its job and investment obligations;
- The business is required to continue to submit annual reports; and
- The business is required to maintain its job obligations set forth in the EDIP Contract until the certified project is closed out.

MOBD will close out a certified project upon receipt of an annual report evidencing the certified project has met its job obligations and is in material compliance following three annual reporting periods after receiving notification that the certified project was complete. Prior to receiving notification to close out a certified project, the EACC may

revoke certification and determine a proportion of compliance for purposes of recapturing credits if a project is in material noncompliance.

G. COMPLIANCE

1) Permanent Full-Time Employees

A business may count an individual as a permanent full-time employee for purposes of complying with job creation or retention requirements of a certified project if that individual is paid wages by the business and:

- At the inception of the employment relationship does not have a termination date which is either a date certain or determined with reference to the completion of some specified scope of work;
- Works at least 35 hours per week; and
- Receives employee benefits at least equal to those provided to other full-time employees of the business.

A permanent full-time employee does not include (1) contractors; (2) part-time employees; or (3) any employee that is transferred or substituted by another employee that does not result in a net increase of employees, for purposes of job creation.

2) Remote Workers

A business may count a permanent full-time employee who does not work on-site at the project facility full time for the purpose of complying with job creation or retention requirements of a certified project set forth in an EDIP Contract if:

- The remote worker is a Massachusetts resident; or
- The remote worker is a nonresident that works on-site at the certified project facility at least 50% of the time.

MOBD may consider the number and extent of remote workers of a project when reviewing a proposed project or making a recommendation for the amount of tax credits to award. The EDIP application requires businesses to identify how many employees are Massachusetts residents and how many nonresidents will be working on-site at least 50% of the time. Businesses may be required to submit a remote worker policy as part of their application and must report annually the number of remote workers at the facility. MOBD may request information related to a company's remote workers at any time.

The EACC may amend, rescind or recapture any awarded tax credits if a business misrepresents the number of remote workers for job compliance purposes or makes a material change to the number of remote workers without prior approval.

3) Material Noncompliance

MOBD may determine a business is in material noncompliance if that business fails to substantially achieve the job creation, job retention, capital investments or other economic benefits set forth in the EDIP Contract or any other act, omission or misrepresentation by the business that frustrates the public purpose of EDIP.

More Than 70% Job Creation - If the certified project's actual job creation is less than 100% but more than 70% of the requirements set forth in the EDIP Contract, the certified project shall be considered in material noncompliance and allowed a one-year period to cure. If after one year the certified project fails to meet the job creation requirements set forth in the EDIP Contract, MOBD may take corrective action including offering to amend the job creation or EDIP tax credits set forth in the EDIP Contract or recommending revocation of the project's certification. A business will be offered an opportunity to describe any mitigating factors prior to the EACC taking action.

Less than 70% Job Creation - If the certified project's actual job creation is less than 70% of the requirements set forth in the EDIP Contract, the certified project shall be considered in material noncompliance and MOBD may take corrective action including offering to amend the job creation or EDIP tax credits set forth in the EDIP Contract or recommending revocation of the project's certification. The business will be offered an opportunity to describe any mitigating factors prior to the EACC taking action.

Job Retention Requirements - If a retention project's job retention fulfillment is less than 95% of the requirements established by the EDIP Contract, the certified project shall be considered in material noncompliance and MOBD may take corrective action including offering to reduce the tax credit award or recommending revocation of the project's certification. The business will be offered an opportunity to describe any mitigating factors prior to the EACC taking action.

4) Result of Material Noncompliance

Upon a determination of material noncompliance, MOBD may:

- Recommend revocation of the project's certification;
- Provide the business with a reasonable opportunity to cure the material noncompliance; or
- Offer to amend the EDIP Contract to (i) modify the amount or schedule of permanent full-time employees to be created or retained by the business; or (ii) modify the amount or schedule of EDIP tax credits available to the business.

5) Decertification

If the EACC revokes a project's certification, such revocation will take effect on the first day of the tax year in which the material noncompliance occurred, as determined by the MOBD. After a project certification is revoked, the MOBD shall report the project's proportion of compliance to the business and to the Department of Revenue.

If a project is decertified, any EDIP tax credits claimed by the business prior to the effective date of the revocation shall be recaptured in accordance with M.G.L. c. 62 § 6(g) and M.G.L. c. 63 § 38N and based upon the project's proportion of compliance, and the business may not claim EDIP tax credits associated with the decertified project for the tax years following the revocation.

6) Proportion of Compliance Calculation

A company's proportion of compliance is calculated by determining the certified project's job and capital investments according to the following:

Job Compliance - calculated by determining the cumulative net new jobs actually created over the term of the project on a year-by-year basis and dividing by the total committed cumulative new jobs over the term of the project on a year-by-year basis, as set forth in the EDIP Contract. A project's job compliance accounts for 80% of the overall proportion of compliance calculation. This may be a negative number if a business has lost more jobs than when it entered into EDIP.

Capital Investment Compliance - calculated by dividing the total actual investment by the total committed investment set forth in the EDIP Contract. A project's investment compliance accounts for 20% of the overall proportion of compliance calculation. For purposes of determining the proportion of compliance, the investment compliance may not exceed 100%.

H. LOCAL TAX INCENTIVES

1) Certified Project with Local Tax Incentive

If a municipality offers or intends to offer a tax increment financing (TIF) or special tax assessment (STA) agreement to the property owner or business of a project, or to the owner of a facility where a project is located, a description of the TIF or STA shall be provided as part of the Municipal Project Endorsement in the EDIP application. The municipality or business must also submit to MOBD a fully executed copy of the TIF or STA agreement and any amendments thereto.

2) Local Tax Incentives Entered into on or after November 20, 2024

Chapter 238 of the Acts of 2024 (the "Act") made certain changes to M.G.L. c. 23A §§ 3A through 3F, inclusive, and c. 40 § 59 related to real and personal property tax incentives and agreements offered by municipalities to property owners. These provisions of the Act became effective on November 20, 2024 and eliminated the requirement that the EACC certify and approve TIF and STA agreements before such agreements are valid and enforceable.

3) Local Tax Incentives Entered into prior to November 20, 2024

Any TIF or STA agreement with an effective date prior to November 20, 2024 shall remain under the jurisdiction and authority of the EACC and will operate under the applicable statutes as they existed prior to the changes.

I. LEGAL RESOURCES

The Economic Development Incentive Program and Economic Assistance Coordinating Council are authorized by M.G.L. c. 23A §§ 3A through 3G, c. 62 § 6(g), c. 63 § 38N, and other applicable legal authorities.

All terms included in this RFP shall have the same meanings as ascribed to them in M.G.L. c. 23A § A, unless otherwise defined or the context clearly requires otherwise.

MOBD reserves the right to amend, modify, or otherwise alter this RFP, as required.