TENNESSEE FACT SHEET

Tennessee's 2008 average hourly wage for production workers is lower than the national average.
Tennessee....$14.69 United States.....$17.74

Tennessee's 2008 union membership for all industries and manufacturing compared to the national average:
Tennessee....5.5% all—7.8% mfg. United States.....12.4% all—11.4% mfg.

Tennessee is a right-to-work state.

Tennessee's borders are within one day's delivery of 76% of the major United States markets.

Tennessee offers one of the lowest per capita tax burdens and overall utility costs in the nation, and no sales tax on industrial equipment.

Tennessee's manufacturers are allowed an investment tax credit of 1% to 10% on the purchase, lease, installation and repairs of qualified industrial machinery.

Tennessee allows a tax credit of $4,500 per net new full-time job against franchise and excise tax liability for qualified businesses. Minimum requirements of 25 jobs and $500,000 capital investment.

Tennessee's distributors are exempt from property taxes on inventories of work-in-progress and finished goods.

Tennessee's distributors and warehouse facilities have (1) no sales tax on purchases of material handling and racking systems associated with required capital investment of $10 million and (2) are allowed an excise tax credit of 1% to 10% of purchase price of material handling and racking systems associated with required capital investment of $10 million.

Tennessee exempts finished goods inventories over $30 million of manufacturers or warehouse and distribution facilities from the franchise tax.

Tennessee's FastTrack Job Training Assistance program is available to new and expanding industry.

Tennessee Valley Authority operates one of the largest electric power systems in the United States.

Tennessee's 2009 population estimate of 6,296,254 represents an increase of 606,978 or 10.7% over the 2000 Census. (Tennessee is 16th in percent population change from 2000 to 2009.)

Tennessee has six foreign trade zones in Chattanooga, Knoxville, Memphis, Nashville and the Tri-Cities area.

Tennessee's City of Memphis has been the world's busiest cargo airport since 1992 and in the U.S. is: first out of 100 largest cities in percentage of logistics workforce, third in Class I railroad service, fourth largest inland port, the global headquarters for Federal Express and a passenger hub for Delta/Northwest Airlines.

Tennessee's Oak Ridge/Knoxville area is home to over 1,000 technology-based companies with more than 45,000 technical professionals; over 3,500 PhDs; and more than 10,000 scientists, professionals and technical workers employed by the U.S. Department of Energy.

Tennessee is ranked 22nd in the United States for "business tax friendliness by the Tax Foundation, Washington, DC. (FY 2010)

Tennessee is ranked the 13th "friendliest" state for small business by the Small Business & Entrepreneurship Council, Washington, DC. (2009)

Tennessee has over 200 *Fortune 500* companies with a presence in the state.

Tennessee Department of Economic and
Community Development
Business Development Division
William R. Snodgrass Tennessee Tower
312 Rosa L. Parks Avenue, 11th Floor
Nashville, TN 37243-1102

Telephone: (615) 741-3282
WATS: (877) 768-6374
Facsimile: (615) 741-5829
Website: http://tn.gov/ecd

(tnfs01252010.doc)