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## No personal income tax in Las Vegas helps lure businesses

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Businesses in Las Vegas know that the city's lack of personal income tax, low workers compensation, low energy bills, relatively low housing costs and light government regulation creates a dynamic business environment, but now the city is being hailed nationally as a hot spot to relocate corporate headquarters and technical companies.

A survey of 30 metropolitan areas in the West and central United States ranked Las Vegas as the eighth most inexpensive city for a technical company employing 125 workers and occupying a 35,000-square-foot Class A office space.

According to The Boyd Co., a New Jersey-based location consulting firm with a client list that includes Pepsico, JP Morgan Chase & Co. and other multinationals, the technical company would spend \$10.2 million a year to operate in Las Vegas. The company found San Francisco was the most expensive, costing the potential tech company \$12.1 million a year to operate and Sioux Falls, S.D., was the least expensive, costing \$9.4 million a year.

John Boyd, president of the consulting firm, said the bursting of the dot-com bubble forced venture capitalists to urge companies to locate in less expensive areas and that Las Vegas is not only inexpensive for the company but also for the workers.

"The dot-com (bust) forced the industry to re-evaluate itself," Boyd said. "It brought a reality check to businesses with greater checks and balances. The venture capitalists are saying, 'Do you really need to be in San Francisco off Market Street?'"

Boyd said to get employees to move, there need to be personal incentives, and Las Vegas' lack of personal income tax tops employees' wish lists.

"Locations like Las Vegas are on the radar screen," Boyd said. "It's not the old days where someone would work for the same company their entire career. No longer do companies say jump and the employees say how high. The human resource departments need to convince people the move is good

for them, (and) personal income tax is the number one incentive."

Boyd said although the study focused on high-tech companies relocating, the information can be applied to most industries. He said that given all the criteria he knows about the various cities, their resources and incentives, Las Vegas is primed for corporate headquarters to move here.

"If I had to guess, I'd say that over the next five years the number of corporate headquarters relocating here will increase five- or tenfold," Boyd said.

"In our view Las Vegas is well-positioned," said Boyd. "Executives stand to save a lot of money with the lack of personal income tax. They also have the ability to buy more house for less money compared with what they would get in Connecticut, Chicago or Orange County (Calif.)."

Cara Roberts, a spokeswoman for the Las Vegas Chamber of Commerce, said Las Vegas is a national model of a conducive business environment.

"When companies are determining where to relocate they need a culture that understands the value of free enterprise," Roberts said. "When business is good, life is good. People have money to spend on education and other resources. This national recognition shows that the work we do to make sure Nevada is pro-business with low taxes and low regulation is not just something we talk about, but something that works."

The changing economy, the evolving free trade and dynamic opportunities for growth are pushing businesses to break the traditional mold of corporate mobility.

"Historically companies would move a plant or contract work out to another area, but the corporate headquarters would stay put," Boyd said. "Now the emphasis is on the cost of doing business. A great example is Boeing moving out of Seattle. Those two were joined at the hip, but we think that move is just a precursor to other corporations moving."

Boyd said moving to Las Vegas not only saves the company and the employees money but it can help a company revamp its image. Using Rubbermaid as an example, Boyd talked about how the company recently moved its headquarters to Atlanta and began marketing itself as a part of the new, growing South.

"The same thing could work for Las Vegas. It gives the impression that the company is dynamic, forward thinking, fresh," Boyd said, adding that long gone are the days when corporations worried Las Vegas would give them a negative image.

"Corporations are more sophisticated and Las Vegas is not the same metropolitan area. Those image issues have been put to bed," Boyd said. "Las Vegas now has the ability to attract top talent from a national market."

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