



# 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 lowest 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, installation and repairs of qualified industrial machinery.
- Tennessee** allows a tax credit of \$2,000 or \$4,500 (in economically distressed counties) per new job against franchise and excise tax liability for qualified businesses. Minimum 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 in terms of generating capacity.
- Tennessee's** 2008 population estimate of 6,214,888 represents a 9.2% increase over the 2000 census. (Tennessee is 16th in percent population change from 2000 to 2008.)
- 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 17th best in the United States for "business tax friendliness" by the Tax Foundation, Washington, DC. (FY 2009)
- Tennessee** is ranked the 11th "friendliest" state for small business by the Small Business & Entrepreneurship Council, Washington, DC. (2008)
- Tennessee** is home for over 200 *Fortune 500* companies with a presence in Tennessee.

---

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>

(tnfs06192009.doc)