



Politics of Greentech: Nanosolar, Schwarzenegger & Tax Breaks

By Katie Fehrenbacher Mar. 24, 2010, 8:39pm PDT

Thin film solar firm Nanosolar says it will be able to save tens of millions of dollars, and expand its business in California and create new jobs, thanks to a new manufacturing tax incentive bill signed into law by California Governor Arnold Schwarzenegger on Wednesday. Schwarzenegger, along with a slew of politicians and entrepreneurs including Senator Alex Padilla, San Jose Mayor Chuck Reed, and Nanosolar co-founder Brian Sager, held a press conference at Nanosolar's headquarters and factory in San Jose. At the event Schwarzenegger signed Senate Bill 71, which will exempt greentech firms from paying sales taxes when buying manufacturing equipment within in California.



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Tax breaks for manufacturing have become a common way for states and the federal government to encourage greentech companies to expand businesses and create jobs locally. The federal government is using the tactic, too. The Obama administration has been offering \$2.3 billion in tax credits worth up to 30 percent of the costs for 183 manufacturing greentech projects in 43 states, paid for by the stimulus package.

But states are looking to offer sweet tax break deals to encourage companies to build factories and expand business within their borders — with competition heating up between states. Schwarzenegger emphasized that Nanosolar would remain in the state and expand and create local jobs due to the new tax credit bill. States like California have famously touted rich tax incentive packages to companies like Tesla, luring them away from competitors (Tesla ditched New Mexico for California's better offer).

While today was a big day for Nanosolar — Sager gave the politicians a tour around the factory — this week has been a rocky one for the thin film solar maker. On Monday Nanosolar announced that its longtime outspoken CEO Martin Roscheisen had left the company, with no mention of the reason for his departure.