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business, but the vast majority of deals involve moves within the region...

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More than 70 percent of the region's municipalities use tax incentives to attract business, but the vast majority of deals involve moves within the region, expansion of existing businesses or national firms expanding their markets, according to a study released Monday by a government-supported regional planning agency.

"Only rarely did local incentives lure a firm from another state or assist a new business," the Chicago Metropolitan Agency for Planning stated in the report's executive summary.

Using incentives to compete with other communities runs counter to the type of collaborative regional planning envisioned in the agency's long-range plan, CMAP stated in the study, which examined tax increment financing, sales tax rebates, property tax abatements and Cook County property tax incentives.

The study also found many communities target incentives based on future tax revenue rather than overall economic benefit.

For instance, sales tax rebates can draw retailers to town, and even with the rebates, towns will see sales tax revenue growth. But such projects do not always have significant spillover benefits, the study found. The rebates often are used to attract retailers, which tend to provide lower-wage jobs than those that would be provided by office or manufacturing developments.

And while tax incentives can be used to effectively redevelop economically stressed areas, communities also use them to compete for new developments on undeveloped land — projects that typically do not involve extraordinary development costs, the study found.

CMAP urged greater regional collaboration and more uniform disclosure about

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