

I. Statewide Incentives

There are seven different incentives available under this program:

II. ENTERPRISE ZONE JOBS TAX CREDIT (SALES TAX)

This credit allows businesses located in the Enterprise Zone a monthly credit against their Florida sales and use tax due on wages paid to new, full-time employees equal to 20 percent of wages paid to new eligible employees who are residents of the Enterprise Zone (and/or are Welfare Transition Program participants residing anywhere). If 20 percent or more of the employees are residents of the Enterprise Zone, the credit is 30 percent of wages paid to new eligible employees.

The credit is limited to the amount of tax due on each return. There is no refund or carry-forward for credit in excess of the tax due. This credit is not available if the Enterprise Zone Jobs Tax Credit against corporate tax is taken. The credit is limited to 24 months if the employee remains employed for 24 months.

Forms must be filed with the Enterprise Zone Development Agency (EZDA) within six months of hire date. Failure to file on time will result in credit being disallowed. EZDA has 10 business days to process and certify the form. Form DR-15CS (Sales and Use Tax Return) must be submitted by the 20th of the next month (or will be considered late). View Florida Statute 212.096

III. ENTERPRISE ZONE JOBS TAX CREDIT (CORPORATE INCOME TAX)

This credit allows businesses located in the Enterprise Zone a corporate income tax credit on wages paid to new, full-time employees equal to 20 percent of wages paid to new eligible employees who are residents of the Enterprise Zone (and/or are Welfare Transition Program participants residing anywhere). If 20 percent or more of the employees are residents of the Enterprise Zone, the credit is 30 percent of wages paid to new eligible employees. There is a five-year carry-forward provision for unused portion of past credits.

Firms must earn more than \$5,000 to take advantage of the credit. This credit is not available if the Credit Against Sales Tax for Job Creation is taken. The amount of the credit must be added back to the Florida taxable income. Federal tax burden may increase since state tax liability is reduced. The credit is limited to 24 months if the employee remains employed for 24 months.

The Enterprise Zone Development Agency (EZDA) has 10 business days to process and certify the form. View Florida Statute 220.181

IV. BUSINESS MACHINERY AND EQUIPMENT SALES TAX REFUND

This program provides a refund on state sales tax paid on the purchase of eligible machinery and equipment costing at least \$5,000 per unit, which is used exclusively in an Enterprise Zone for at least three years.

If 20 percent or more of the permanent, full-time employees of the business are Enterprise Zone residents, the maximum refund per application will be no more than the lesser of \$10,000 or 97 percent of the sales tax paid on eligible machinery and equipment purchases of up to \$171,800.

If less than 20 percent of the permanent, full-time employees of the business are Enterprise Zone residents, the maximum refund per application will be no more than the lesser of \$5,000 or 97 percent of the sales tax paid on eligible machinery and equipment purchases of up to \$85,900.

There is no limit on the number of applications that can be applied for provided the per unit price of the eligible machinery is at least \$5,000 and has been purchased within six months of filing.

Applications for Enterprise Zone business Machinery and Equipment Sales Tax Refunds must be filed with the Florida Department of Revenue within six months after the machinery and/or equipment is purchased. The EZDA has 10 business days to review and verify the business is located within the Enterprise Zone. [View Florida Statute 212.08\(5\)\(h\)](#)

V. BUILDING MATERIALS SALES TAX REFUND

This program provides a refund on state sales tax paid on the purchase of building materials used to rehabilitate real property located within the Enterprise Zone. Only one sales tax refund on building materials is available per parcel of real property unless there is a change in ownership or lessee. A building permit must be issued for improvements being made to the building site.

The minimum refund available is \$500, which roughly equates to \$8,600 of building materials. If 20 percent or more of the permanent, full-time employees of the business are Enterprise Zone residents, the maximum refund per parcel will be no more than the lesser of \$10,000 or 97 percent of the sales tax paid on building material purchases of up to \$171,800. If less than 20 percent of the permanent, full-time employees of the business are Enterprise Zone residents, the maximum refund per parcel will be no more than the lesser of \$5,000 or 97 percent of the sales tax paid on building material purchases of up to \$85,900.

Applications for Enterprise Zone building material sales tax refunds must be filed with the Florida Department of Revenue within six months after the rehabilitation of the property is deemed to be substantially completed by the local building code inspector or by November 1 after the rehabilitated property is first subject to assessment. The EZDA has 10 business days to review and verify the business is located within the Enterprise Zone.

Note: Effective July 1, 2010, condominium parcels and condominium property, as defined in section 718.103, Florida Statutes (F.S.), are no longer eligible for the refund of sales tax paid on

building materials used in the rehabilitation of real property located in an Enterprise Zone. View Florida Statute 212.08(5)(g)

VI. ENTERPRISE ZONE PROPERTY TAX CREDIT

This credit allows new or expanded businesses located in the Enterprise Zone and creating five or more new jobs a corporate income tax credit equal to 96 percent of ad valorem taxes paid on the new or improved property. Any unused portion of the credit may be carried forward for five years. This credit also allows rebuilding businesses who have suffered damage in an 'emergency' a tax credit based on the ad valorem taxes paid from the assessments on property replaced or restored.

Firms must earn more than \$5,000 to take advantage of the credit. The amount of the credit must be added back to the Florida taxable income. Federal tax burden may increase since state tax liability is reduced.

If 20 percent or more of the full-time employees are Enterprise Zone residents, then the maximum of \$50,000 annual credit can be claimed for five years; otherwise, the credit is limited to \$25,000 annually for five years.

Form DR-456 must be filed with the Property Appraiser no later than April 1 of the year in which the real property is first subject to assessment. The EZDA has 10 business days to review and verify the business is located within the Enterprise Zone. View Florida Statute 220.182

VII. SALES TAX EXEMPTION FOR ELECTRICAL ENERGY

This program is available to businesses located within the Enterprise Zone in a: newly occupied structure (no previous electrical service); renovated structure (no electrical service for three preceding billing periods); or has received a building materials sales tax refund, a 50 percent exemption on municipal utility tax and at least a 50 percent exemption from the state sales tax on electrical energy.

If 20 percent or more of the businesses' employees are Enterprise Zone residents, the business will receive a 100 percent exemption from the state sales tax; if less than 20 percent of the businesses' employees are Enterprise Zone residents, the business will receive a 50 percent exemption from the state sales tax.

The EZDA has 10 business days to review and verify the business is located within the Enterprise Zone. Please note that the mailing address has changed for form DR-15JEZ. The new address is:

VIII. COMMUNITY CONTRIBUTION TAX CREDIT

This program allows any business in Florida to receive a 50 percent credit on Florida corporate income tax, insurance premium tax or sales tax refund for donations to local community

development projects. The annual amount of credit granted is limited to \$200,000 per firm and \$3,500,000 for the state.

The approved community development project must be undertaken by an 'eligible sponsor' and must be located in the Enterprise Zone. The locational requirement may not apply if the project is 'designed to construct or rehabilitate housing for low-income or very-low-income households' and is an approved project by the Division of Strategic Business Development.

For each dollar donated, businesses may receive a 55.5-cent reduction in Florida tax liability (50 cents from the credit and 5.5 cents from the deductible of the donation). The donation may also be deducted from federal taxable income. A five-year carry-forward provision is available for any unused portion of the credit.

Firms must earn more than \$5,000 to take advantage of the credit. Federal tax burden may increase since state tax liability is reduced. IRS rules of valuation of donated goods may require depreciation recapture; therefore, the deduction may be decreased.

To receive the credit, the project sponsor must first submit a proposal to Division of Strategic Business Development for approval. Then businesses file form 8E-17TCA#01 to Division of Strategic Business Development. Projects must be recertified on an annual basis.

IX. Brownfield Incentives

Brownfield sites are defined as real property, the expansion, redevelopment, or reuse of which may be complicated by actual or perceived environmental contamination.

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However, cleanup of brownfield sites in Florida is generally easier, quicker, and cheaper than brownfield sites in many other parts of the country. That's because the severity of environmental degradation/contamination in Florida generally does not even begin to approach that of many other U.S. states.

Businesses that cleanup and redevelop an existing brownfield site are provided with generous financial incentives, regulatory benefits, technical assistance, and liability protection.

Just a few of the advantages of brownfield sites include:

- \$2,500 Job Bonus Refund for each new job created in a brownfield area by an eligible business
- Highly attractive business locations with existing infrastructure
- Voluntary cleanup tax credits
- Cleanup liability protection
- Low-interest loans for assessment and cleanup
- Brownfield properties are often located within enterprise zones that provide additional financial incentives

- Increased State Loan Guarantee can improve lending opportunities
- Expedited Permitting for Brownfield projects

X. Incentives

Florida offers bottom-line advantages for long term profitability for all types of businesses, from corporate headquarters to manufacturing plants to service firms.

XI. Targeted Industry Incentives

Qualified Target Industry Tax Refund (QTI): The Qualified Target Industry Tax Refund incentive is available for companies that create high wage jobs in targeted high value-added industries. This incentive includes refunds on corporate income, sales, ad valorem, intangible personal property, insurance premium, and certain other taxes. Pre-approved applicants who create jobs in Florida receive tax refunds of \$3,000 per net new Florida full-time equivalent job created; \$6,000 in an Enterprise Zone or Rural Community (county). For businesses paying 150 percent of the average annual wage, add \$1,000 per job; for businesses paying 200 percent of the average annual salary, add \$2,000 per job; businesses falling within a designated high impact sector or increasing exports of its goods through a seaport or airport in the state by at least 10 percent in value or tonnage in each year of receiving a QTI refund, add \$2,000 per job; projects locating in a designated Brownfield area (Brownfield Bonus) can add \$2,500 per job. The local community where the company locates contributes 20 percent of the total tax refund. No more than 25 percent of the total refund approved may be taken in any single fiscal year. New or expanding businesses in selected targeted industries or corporate headquarters are eligible.

Qualified Defense and Space Contractor Tax Refund (QDSC): Florida is committed to preserving and growing its high technology employment base by giving Florida defense, homeland security, and space business contractors a competitive edge in consolidating contracts or subcontracts, acquiring new contracts, or converting contracts to commercial production. Pre-approved applicants creating or retaining jobs in Florida may receive tax refunds of \$3,000 per net new Florida full-time equivalent job created or retained; \$6,000 in an Enterprise Zone or rural county. For businesses paying 150 percent of the average annual wage, add \$1,000 per job; for businesses paying 200 percent of the average annual salary, add \$2,000 per job.

Capital Investment Tax Credit (CITC) The Capital Investment Tax Credit is used to attract and grow capital-intensive industries in Florida. It is an annual credit, provided for up to twenty years, against the corporate income tax. Eligible projects are those in designated high-impact portions of the following sectors: clean energy, biomedical technology, financial services, information technology, silicon technology, transportation equipment manufacturing, or be a corporate headquarters facility. Projects must also create a minimum of 100 jobs and invest at least \$25 million in eligible capital costs. Eligible capital costs include all expenses incurred in the acquisition, construction, installation, and equipping of a project from the beginning of construction to the commencement of operations. The level of investment and the project's Florida corporate income tax liability for the 20 years following commencement of operations determines the amount of the annual credit.

High Impact Performance Incentive Grant (HIPI): The High Impact Performance Incentive is a negotiated grant used to attract and grow major high impact facilities in Florida. Grants are provided to pre-approved applicants in certain high-impact sectors designated by the Florida Department of Economic Opportunity (DEO). In order to participate in the program, the project must: operate within designated high-impact portions of the following sectors— clean energy, corporate headquarters, financial services, life sciences, semiconductors, and transportation equipment manufacturing; create at least 50 new full-time equivalent jobs (if a R&D facility, create at least 25 new full-time equivalent jobs) in Florida in a three-year period; and make a cumulative investment in the state of at least \$50 million (if a R&D facility, make a cumulative investment of at least \$25 million) in a three-year period. Once recommended by Enterprise Florida, Inc. (EFI) and approved by DEO, the high impact business is awarded 50 percent of the eligible grant upon commencement of operations and the balance of the awarded grant once full employment and capital investment goals are met.

Workforce Training Incentives

Quick Response Training Program (QRT): Quick Response Training (QRT) – an employer-driven training program designed to assist new value-added businesses and provide existing Florida businesses the necessary training for expansion. A state educational facility – community college, area technical center, school district or university – is available to assist with application and program development or delivery. The educational facility will also serve as fiscal agent for the project. The company may use in-house training, outside vendor training programs or the local educational entity to provide training.

Reimbursable training expenses include: instructors'/trainers' wages, curriculum development, and textbooks/manuals. This program is customized, flexible, and responsive to individual company needs. To learn more about the QRT program, visit [CareerSource Florida](#).

Incumbent Worker Training Program (IWT): Incumbent Worker Training (IWT) – a program that provides training to currently employed workers to keep Florida's workforce competitive in a global economy and to retain existing businesses. The program is available to all Florida businesses that have been in operation for at least one year prior to application and require skills upgrade training for existing employees. Priority is given to businesses in targeted industries, Enterprise Zones, HUB Zones, Inner City Distressed areas, Rural Counties and areas, and Brownfield areas. For additional information on the IWT program, visit [CareerSource Florida](#).

Infrastructure Incentives

Economic Development Transportation Fund: The Economic Development Transportation Fund, commonly referred to as the "Road Fund," is an incentive tool designed to alleviate transportation problems that adversely impact a specific company's location or expansion decision. The award amount is based on the number of new and retained jobs and the eligible

transportation project costs, up to \$3 million. The award is made to the local government on behalf of a specific business for public transportation improvements.

Special Opportunity Incentives

Rural Incentives: Florida encourages growth throughout the state by offering increased incentive awards and lower wage qualification thresholds in its rural counties. Additionally, a Rural Community Development Revolving Loan Fund and Rural Infrastructure Fund exist to meet the special needs that businesses encounter in rural counties.

Urban Incentives: Florida offers increased incentive awards and lower wage qualification thresholds for businesses locating in many urban core/inner city areas that are experiencing conditions affecting the economic viability of the community and hampering the self-sufficiency of the residents.

Enterprise Zone Incentives: Florida offers an assortment of tax incentives to businesses that choose to create employment within an enterprise zone, which is a specific geographic area targeted for economic revitalization. These include a sales and use tax credit, tax refund for business machinery and equipment used in an enterprise zone, sales tax refund for building materials used in an Enterprise Zone, and a sales tax exemption for electrical energy used in an enterprise zone.

Brownfield Incentives: Florida offers incentives to businesses that locate on a brownfield site with a Brownfield Site Rehabilitation Agreement (BSRA). The Brownfield Redevelopment Bonus Refund is available to encourage Brownfield redevelopment and job creation. Approved applicants receive tax refunds of up to \$2,500 for each job created.

XII. Enterprise Zone Incentives

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The Florida Enterprise Zone Program offers an assortment of tax incentives to businesses that choose to create employment within an enterprise zone, which is a specific geographic area targeted for economic revitalization. Tax incentives include a sales and use tax credit, tax refund for business machinery and equipment used in an enterprise zone, sales tax refund for building materials used in an Enterprise Zone, and a sales tax exemption for electrical energy used in an enterprise zone. Local governments can provide additional incentives for a zone located within their boundaries.

The Florida Department of Revenue is responsible for processing all enterprise zone tax incentive applications. The local coordinator is responsible for verifying enterprise zone addresses. All tax incentive applications must be certified at a local office before the applications are sent to the Department of Revenue to be processed. The Florida Department of Revenue is responsible for processing all enterprise zone tax incentive applications. Representatives from

the Department of Revenue provide technical assistance on the eligibility requirements to businesses and to local enterprise zone coordinators.

History

Florida established one of the first Enterprise Zone programs in the country in 1982. In 1994, the program changed significantly when the Florida Legislature passed the Florida Enterprise Zone act of 1994. The 1994 act was based primarily on the federal government's Empowerment Zones and Enterprise Communities programs. At this time all existing zones were repealed and a new application and designation process were established.

The application process required the local government to establish a strategic plan, form a local Enterprise Zone Development Agency, and submit a specific map showing the zone's boundaries. The applications were submitted during the summer of 1995 and 19 zones were designated on July 1, 1995.

Subsequently, the Florida Legislature amended Florida Statutes to allow for boundary changes, incentive changes, and the addition of 36 enterprise zone designations. The 1994 act established a repeal date of December 31, 2005. In 2005, the Florida Legislature extended the Enterprise Zone program for ten years and provided existing enterprise zones an opportunity to have their zones re-designated with boundary amendments.

XIII. Administration

The Florida Department of Economic Opportunity (DEO) administers the Florida Enterprise Zone Program. DEO is responsible for overseeing the activities of the local enterprise zones and providing them with technical assistance and information. DEO has been authorized by the Florida Legislature to review and approve eligible enterprise zone application packages. DEO receives progress reports from local enterprise zones as well as reports from the Florida Department of Revenue and prepares an Annual Report to the Governor and the Florida Legislature.

Enterprise Florida plays an important role in marketing the Enterprise Zone program to existing businesses within a zone or to those who are looking to locate in a zone. Enterprise Florida has also taken active roles in proposing Legislation that will improve the program and enhance the economy of Florida as a whole. Enterprise Florida works with DEO in developing zone approval guidelines and determining which communities would qualify for a zone designation.

At the local level an enterprise zone is governed by an Enterprise Zone Development Agency. This agency oversees the implementation of the strategic plan and makes important decisions concerning the zone. The Enterprise Zone Development Agency also appoints a local enterprise zone coordinator that maintains the day-to-day operations of the zone. This key contact for the zone answers questions and distributes materials to businesses, DEO, and the local government. The local coordinator is responsible for verifying enterprise zone addresses. All tax incentive applications must be certified at a local office before the applications are sent to the Department of Revenue to be processed.

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XIV. Urban and Rural Designations

Because of the diversity in the population and economy throughout the state of Florida, the Enterprise Zone program is designed to accommodate both rural and urban areas. Because rural areas do not attract and retain the same types of businesses that urban areas do, rural Enterprise Zones are given different tax credits through the various incentives.

Listed below are the ways that an Enterprise Zone gets a rural classification:

- Nominating county has a population of 75,000 or less
- Nominating county has a population of 100,000 or less and is contiguous to a county with a population of 75,000 or less
- Nominating municipality is located in a county with a population of 75,000 or less
- Nominating municipality is located in a county with a population of 100,000 or less and is contiguous to a county with a population of 75,000 or less
- Federal Enterprise Communities and Empowerment Zones

The Enterprise Zone program operates at both the state and federal levels. Almost every state has some form of an Enterprise Zone program, however, each have their own agendas and incentives to offer. The federal government also has its own form of the program. The federal government has designated a total of 172 Enterprise Communities and Empowerment zones across the US. These designations are based on criteria including population, poverty rates, and economic distress. This programs provides funding to the Community or Zone for a 10 year period. These funds are used for economic revitalization throughout the communities.

Although these communities are designated by the federal government they are also recognized in the Florida Enterprise Zone program. They receive their funding through the federal government as well as offer the state incentives to the businesses within the communities.