

# CORPORATE RECRUITMENT & INCENTIVES

The Governor's Office of Economic Development (GOED) provides financial incentives for business relocation and expansion to select companies that create new, high-paying jobs in Utah. Incentives are offered as either tax credits or grants.

## Economic Development Tax Increment Financing (EDTIF)

A post-performance tax credit rebate for up to 30 percent of new state tax revenues over the life of the project, which is typically five to ten years.

## Industrial Assistance Fund (IAF)

A post-performance grant for the creation of high-paying jobs in the state.

## EDTIF and IAF Requirements

- Create at least 50 new jobs
- Pay above average wages
- Demonstrate company stability and profitability
- Secure commitment from local community to provide a local incentive
- Demonstrate competition with other locations
- Enter into an incentive agreement with GOED that specifies performance milestones



Edwards Lifesciences ribbon cutting

## Incentives Criteria

Incentives are offered as tax credit rebates or grants and are based on the following:

- 1 Post-performance** – Disbursed after the company has met contractual performance benchmarks such as job creation and payment of new state taxes.
- 2 Single Taxpayer** – Amounts are based on new state taxes generated by the project.
- 3 Competition** – Must make Utah competitive with other locations.

## EDTIF Activity FY 2010 to FY 2015



Incented projected jobs:  
**42,962**



Incented projected wages:  
**\$29.6 billion**



Incented projected cap-ex:  
**\$6.5 billion**



Incented project state tax revenue:  
**\$2.5 billion**



Incentives offered:  
**109**



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## APPLICATION PROCESS FOR EDTIF & IAF

1

Meet with GOED incentives team to complete and submit application. Complete applications are due the first day of the month for presentation to the board the following month.

2

Work with local community to obtain committed local incentives.

3

Incentive applications are considered by the GOED Board's Incentives Committee, typically the fourth Thursday of the month, and a preliminary decision is recommended to the full GOED Board.

4

The GOED Board meets on the second Thursday of the month and makes a final decision on the incentives application.

5

GOED sends a Commitment Letter to the company detailing the incentive offer and performance milestones.

6

The company countersigns and returns the Commitment Letter to the Governor's Office of Economic Development.

7

GOED and the company enter into an incentive agreement.



### Other Incentive Programs:

**Private Activity Bond:** Offer tax-exempt financing at lower costs and longer terms to private entities for qualified projects.

**Motion Picture Incentive Program:** A post-performance financial incentive provided to production companies in order to help develop a strong motion picture industry presence in the state. Also applies to video game development.

**Rural Fast Track:** A post-performance grant only available to small companies in rural Utah.

**Technology Commercialization & Innovation Program (TCIP):** State-funded grant program developed to accelerate the commercialization of promising technologies that have strategic value for Utah.

More information is available at [business.utah.gov](http://business.utah.gov).

### Green Flags

- Number and salary of jobs created
- Amount of new state revenue
- Long-term capital investment
- Targeted industry or location
- Headquarters
- Competition with other locations

### Red Flags

- In business less than three years
- Lack of profitability for previous three years
- Bankruptcy or negative cash flow
- Sales declines
- Start-up company, non-profit organization, or retail business