



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 refundable tax credit for up to 30% 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 AIF Requirements

- Create at least 50 new jobs
- Pay at least 125% of urban county average wage or 100% of rural county average wage
- 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 credits 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: 2010 to 01Q2014



Incented projected jobs: **32,509**



Incented projected wages: **\$24.5 billion**



Incented projected cap-ex: **\$ 5.3 billion**



Incented project state tax revenue: **\$2.1 billion**



Incentives offered: **79**



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CONTINUED

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 commitment 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 GOED.
- 7** GOED and the company enter into an incentive agreement.

Green Flags

- Number and salary of jobs created
- Amount of new state revenue
- Long term capital investment
- Targeted industry
- 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



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.

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