

# 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 IAF 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



## 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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## 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](http://business.utah.gov)