The Targeted Business Tax Credit (TBTC) program is designed to encourage private investment and job creation in rural Utah counties with populations of less than 25,000 people.

Incentives
The TBTC program encourages local businesses to make investments in rural communities. Businesses with projects that meet established criteria may receive up to $100,000 in a refundable tax credit. The total available for all TBTC projects in 2019 is $300,000.

The application and certification processes are completed through GOED. The tax credit reimbursement is issued through the Utah State Tax Commission for businesses that meet benchmarks and new-hire goals. The tax credit can be collected regardless of whether or not the business has a state tax liability.

How does the TBTC actually work?
As an example, let’s consider ABC company that manufactures widgets. ABC company is located outside of Price in Carbon County and near the airport, a location that is in an Enterprise Zone. ABC company is ready to make a major expansion/capital investment of at least $100,000 in the company and hire 10 new full-time employees at 110 percent of the average county wage.

A competitive application process is conducted annually for all TBTC awards. ABC company applies in 2019 during the open application period. Because their project will make a significant impact to the local community, their application is approved and they are authorized to receive the maximum refundable tax credit of $100,000.

In September 2019, the company purchases two large pieces of equipment totaling $200,000 and hires 10 full-time employees. In February 2020, ABC company contacts GOED to complete the submission process. They provide the required information, and via the completed tax returns, it turns out for the tax year of 2019, they don’t owe any state taxes. If all of the requirements are met with proper documentation, the state tax commission will issue a tax refund check of $100,000 to ABC company.
Targeted Business Tax Credit

What is a Community Investment Project?
A Community Investment Project (CIP) is a business development project that includes a significant capital investment and creates high paying jobs.

What is a Significant Capital Investment?
Significant capital investment is an investment of at least $100,000 in new construction, expansion or the purchase of depreciable equipment.

What is a high paying job?
A high paying job is a full-time position (at least 30 hours a week) that pays a salary comparable to or above the county average wage.

Does my business qualify?
• Eligible businesses are located within a current Enterprise Zone (talk to your local economic development director or visit locate.utah.gov).
• Eligible businesses are located in a county with a population of less than 25,000.
• Eligible businesses employ at least 51 percent of employees (including new hires and current employees) at a facility located in an Enterprise Zone, or in an Enterprise Zone that is immediately adjacent and contiguous to the county where the CIP is located.

Businesses are not eligible in the following industries:
• Construction
• Retail
• Public utility activities

Businesses may not:
• Claim or carry forward another Enterprise Zone tax credit for the same taxable year in which they claim a TBTC.
• Receive a Rural Fast Track Grant payment for the same capital investment or jobs for which a business has received a TBTC.

The TBTC is a competitive grant. The number of applications received may exceed funding capacity.