



# MIAMIBEACH

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ECONOMIC DEVELOPMENT DEPARTMENT

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**FLORIDA'S 24-HOUR MARKETPLACE**

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*We are committed to providing excellent public service and safety to all who live, work, and play in our vibrant, tropical, historic community*

**PARTNER INFORMATION**

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**GENERAL INFORMATION ON FLORIDA BUSINESS TAXES**

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**INTANGIBLE PERSONAL PROPERTY TAX - ACCOUNTS RECEIVABLE**

Effective January 1, 2000 the tax on two-thirds of a corporation's account receivable is exempt from the intangible personal property tax. It is the legislature's intent, subject to future legislative act, to exempt the remaining one third of a corporation's accounts receivable. Accounts Receivable include but are not limited to:

- ✓ Credit Card Receivables
- ✓ Retail Installment Sales Agreements
- ✓ Financing Lease Contracts
- ✓ Charge Card Receivables
- ✓ Floor Plan Financing
- ✓ Credit Receivables
- ✓ Margin Receivables
- ✓ Conditional Sales Contracts
- ✓ Inventory Financing

**INTANGIBLE PERSONAL PROPERTY TAX - STOCK OPTIONS**

Stock options granted to employees by an employer pursuant to an incentive plan are exempt from the intangible personal property tax, provided the stock options are not transferable.

**INTANGIBLE PERSONAL PROPERTY TAX**

Intangible personal property is taxed at 1.5 mills.

**STATE-LEVEL PROPERTY TAX** - None.

**BUSINESS INVENTORY TAX** - None.

**CORPORATE FRANCHISE TAX** - None on capital stock.

**STATE CORPORATE INCOME TAX** - C-corporations.

The Florida tax base is the taxpayer's federal taxable income modified by certain additions and subtractions. Taxpayers doing business solely within Florida are subject to tax on 100 percent of this adjusted federal taxable income. Taxpayers doing business in and outside the state apportion this adjusted federal income to Florida by a three-factor formula (25 percent each to property and payroll, and 50 percent to sales). Nonbusiness income allocated to Florida is added to the Florida portion of adjusted federal income. An exemption of \$5,000 is subtracted to arrive at the Florida net income. This net income is taxed at 5.5 percent. S-corporations, with certain exceptions, and partnerships do not pay the state corporate income tax on their earnings.

**Credit for Child Care** – A corporation may receive up to \$50,000 in tax credits for all approved child care costs that it incurs in any one tax year. Any approved credits that are unused may be carried forward for up to five years. The credit may be used for costs associated with any of the following:

- ⇒ **Start-up costs** of child care facilities operated by a corporation for its employees. The credit is 50% of the costs
- ⇒ **Operation** of a child care facility on behalf of a corporation's employees. The credit is \$50 per month for each child enrolled in the facility.
- ⇒ **Payments** to a child care facility on behalf of a corporation's employees. The credit is 50% of the amount of the payments.

**OCCUPATIONAL LICENSE TAX** - A local tax for the privilege of engaging in certain specified types of businesses may be levied by county governments and incorporated municipalities.

**AD VALOREM TAX** - No state-level property tax.

Local governments are responsible for taxes on real and personal property. Pollution control equipment is assessed at salvage value for property tax purposes. The tax rate (millage) is set by the taxing authority in the governmental unit where the property is located. Millage varies by county.

**SALES & USE TAX** - Six percent imposed upon:

- ⇒ Purchases of tangible personal property made in other states by persons or business entities for use in Florida.
- ⇒ Manufacturers on the cost price of products removed from inventory for their own use.
- ⇒ Sale of farm equipment is taxed at three percent.

*Exemptions apply to:*

- ✓ New and expanding manufacturers. Purchases of machinery and equipment used by a new Florida business to manufacture, produce or process tangible personal property for sale. For existing Florida manufacturers, sales tax liability is capped at \$50,000 for purchases of machinery and equipment that will increase production by at least 10 percent
- ✓ certain printing and publishing firms, silicon technology and for maintenance or repair of aircraft
- ✓ Pollution control equipment
- ✓ Electricity and steam used by manufacturers [80 percent exemption effective July 1, 1999; 100 percent exemption effective July 1, 2000] if 75 percent or more is used in manufacturing process (or, 50 percent tax exemption if 50-75 percent is used in manufacturing)
- ✓ Goods manufactured or produced in the state for export outside the state
- ✓ Purchases of raw materials incorporated in a final product for resale, including nonreusable containers or packaging
- ✓ Boiler fuels
- ✓ Co-generation of electricity
- ✓ Aircraft modification, maintenance and repair
- ✓ Commercial space activity -- launch vehicles, payloads and fuel, and machinery and equipment for production of items used exclusively at Spaceport Florida
- ✓ Labor component of Research and Development expenditures
- ✓ Entertainment industry (motion picture, televisions and recording production)

**GROSS RECEIPTS TAX** - A tax levied upon utility providers.

Utility providers are companies providing telecommunications service, natural or manufactured gas, or electricity service.

Usually this tax is passed through by such companies to their customers, and is separately stated on the customer's bill at a rate of 2.5625 percent.

**DOCUMENTARY STAMP TAX** - A tax on deeds and other instruments relating to real property or interests in real property of 7 mills.

Paid on promissory notes, trust deeds, mortgages, security agreements, and written promises to pay money, as well as on original issues of stock and bonds, and on deeds conveying interest in realty.

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### QUALIFIED TARGET INDUSTRY TAX REFUND

Effective July 1, 1999

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The **Qualified Target Industry** (QTI) Tax Refund is a tool available to Florida communities to encourage quality job growth in targeted high value-added businesses.

Pre-approved applicants who create jobs in Florida receive tax refunds of \$3,000 per new job created; \$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. New or expanding businesses in selected targeted industries or corporate headquarters are eligible.

If approved, the applicant may receive refunds on the taxes it pays. This includes corporate income, sales, ad valorem, intangible personal property, insurance premium, and certain other taxes. There is a cap of \$5 million per single qualified applicant in all years, and no more than 25 percent of the total refund approved may be taken in any single fiscal year.

### ELIGIBILITY

In order to participate, a company must apply to Enterprise Florida **prior to making a decision** to locate or expand in Florida.<sup>1</sup> In order to qualify for consideration under the program, an applicant must:

- Be in a target industry (see attached Target Industries List).
- Demonstrate that the tax refund is necessary for the business to locate or expand in the community.
- Create at least 10 new Florida jobs and; if an expansion project, increase employment by at least 10 percent. For a project located in a rural community or an enterprise zone, the net increase in employment may be less than 10 percent in special circumstances.
- Pay an average annual wage that is at least 115 percent of the state, metropolitan statistical area (MSA), or the local average wages. For a project located in a rural county, rural community or an enterprise zone, the wage requirement may be waived in special circumstances.
- Show that the jobs make a significant economic contribution to the area economy and;
- Provide a resolution from the city or county commission recommending the applicant for the

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<sup>1</sup> All final decisions on applications are based upon all available information at that time. Any business decisions, such as announcements, leasing of space or hiring of employees, made prior to final QTI approval (and not made contingent upon QTI approval) will likely be grounds for disapproval. Projects, which clearly do not require inducement, will not be approved.

incentive and committing the community to provide a local match equaling 20 percent of the tax refund<sup>2</sup>. If located in a Rural County, the business may elect to be exempt from the local match and accept a refund equal to 80 percent of the refund for which they would otherwise qualify.

## **APPLICATION PROCESS**

- EFI staff will shepherd businesses and communities through the entire application process, ensuring that the company and community understand what is required for a complete, effective application.
- Enterprise Florida reports its evaluation of the application and recommendation to the Director of OTTED who makes the final decision on the project. (While the law allows a total of 45 days to evaluate the completed application, this process will be accomplished within 10 days.)

## **APPROVAL PROCESS**

- OTTED's approval or disapproval of the application is in the form of a final order.
- If the application is approved, the final order will indicate the amount and schedule of tax refunds approved, as well as the number of jobs and average wage rate for the project jobs. These must be the same as stated in the application.
- While the law grants OTTED 30 days to approve or disapprove an application, a final decision will typically be rendered within 3 days.
- Once the QTI application is approved, the business will begin working directly with OTTED to finalize the tax refund agreement. Within 30 days of issuance of the final order, the QTI business and the Director of OTTED must sign a written tax refund agreement.

## **REFUND PROCESS**

- The business submits a claim each year for the scheduled tax refund and the community must pay its local match into the Economic Development Trust Fund.
- If all the terms of the tax refund agreement are met, then OTTED pays the refund.

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<sup>2</sup> In advance of a company-specific resolution, a letter from the authorized local economic development agency endorsing the project and indicating that local funding sources exist may be accepted. The local governing authority shall by resolution designate the authorized local economic development authority.

# QUALIFIED TARGET INDUSTRY (QTI) TAX REFUND

## TARGET INDUSTRIES LIST

Effective September 1, 1996

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CORPORATE HEADQUARTERS	BUSINESS SERVICES
RESEARCH AND DEVELOPMENT	SECURITY AND COMMODITY BROKERS
CHEMICALS AND ALLIED PRODUCTS	INSURANCE CARRIERS
RUBBER AND MISC. PLASTICS	HOLDING AND OTHER INVESTMENT OFFICES
PRIMARY METAL INDUSTRIES	NON-DEPOSITORY CREDIT INST.
FABRICATED METAL PRODUCTS	MOTION PICTURES – Only motion picture sound recording and reproducing studios
INDUSTRIAL MACHINERY AND EQUIPMENT	COMMUNICATIONS
ELECTRONIC AND OTHER ELECTRIC EQUIPMENT	APPAREL AND OTHER TEXTILES
TRANSPORTATION EQUIPMENT	LUMBER AND WOOD PRODUCTS
INSTRUMENTS AND RELATED PRODUCTS	FURNITURE AND FIXTURES
MISCELLANEOUS MANUFACTURING	PAPER AND ALLIED PRODUCTS
PRINTING AND PUBLISHING	FOOD AND KINDRED PRODUCTS
WHOLESALE DISTRIBUTION	STONE, CLAY AND GLASS

*Only businesses serving **multi-state and/or international markets** are targeted. Business must be able to locate in other states. Retail activities, utilities, mining and other extraction or processing businesses, and activities regulated by the Division of Hotels and Restaurants of the Department of Business and Professional Regulation are statutorily excluded from consideration.*

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### PERMIT STREAMLINING INITIATIVES

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Florida understands that businesses need certainty, predictability and efficiency in government regulations. For this reason, Florida has developed permit streamlining procedures to assist existing, expanding or new-to-Florida businesses. This is achieved through commitment among the state's regulatory agencies and local governments to provide quicker, less costly and more predictable permit approvals to significant economic development projects without reducing environmental standards.

#### KEY ELEMENTS

##### EXPEDITED PERMIT REVIEW PROCESS:

- A process that allows significant economic development projects to obtain expedited review of all needed state and regional permit applications and, at the option of a participating local government, local development permits or orders and comprehensive plan amendments.
- The Governor's Office of Tourism, Trade and Economic Development (OTTED) or a Quick Business County (QBC) certifies a business as eligible to use the process. Recommendations on which projects should use the process may come from Enterprise Florida, any county or municipality, or the Rural Economic Development Initiative (REDI).
- Eligibility criteria for using the process are outlined below. A business must:
  - ▶ create at least **100 jobs**, or;
  - ▶ **50 jobs** if the project is located in an enterprise zone, in a county which has a population of fewer than 75,000, or in a county which has a population of fewer than 100,000 which is contiguous to a county having a population of 75,000 residing in incorporated and unincorporated areas of the county;
  - ▶ on a case-by-case basis and at the request and recommendation of the governing body of a county or municipality in which the project is to be located, OTTED may allow a business creating a minimum of **10 jobs** to use the process.
  - ▶ Encourages business projects in critical areas having a low ratio of new jobs per WAGES clients meeting the job creation criteria above by waiving high wage and diversification of economy criteria.
- Regional Permit Action Teams established by Memoranda of Agreement (MOA).
  - ▶ OTTED or a QBC (with delegation) directs the creation of these teams. The MOA is between OTTED and the heads of the Departments of Environmental Protection, Community Affairs, Transportation, Agriculture & Consumer Affairs, Labor & Employment Security, the Game and Fresh Water Fish Commission, as well as the appropriate Regional Planning Council's and Water Management Districts. The MOA accommodates participation by federal agencies, as necessary.
  - ▶ At a local government's option, a special MOA will be developed on a case-by-case basis to allow some or all local development permits or orders to be covered under the expedited review. Implementation of the local government MOA requires a noticed public workshop and hearing.



- Certified projects receive the following benefits:
  - ▶ preapplication meeting of regulatory agencies and business representative held within 14 days after eligibility determination at which business is provided information, materials and guidance to ensure expeditious permit approval and local comprehensive plan amendment review.
  - ▶ identification of all necessary permits and approvals needed by the project.
  - ▶ designation of a project coordinator and regional permit action team contacts.
  - ▶ identification of the need for any special studies or reviews which may affect the time schedule.
  - ▶ identification of any areas of significant concern which may affect the outcome of the project review.
  - ▶ development of a consolidated time schedule which incorporates all required deadlines, including public meetings and notices.
  - ▶ statement of a project's permitability within 30 days from preapplication meeting.
  - ▶ final agency action on permit applications **within 90 days** from the receipt of completed application(s).
  - ▶ waiver of twice-a-year limitation on local comprehensive plan amendments.
  - ▶ exempts certain new projects from Development of Regional Impact (DRI) review when at or below 100 percent of numerical thresholds.
  - ▶ encourages the use of existing DRIs by doubling substantial deviation thresholds without triggering additional lengthy and costly review.
  - ▶ waiver of interstate highway concurrency with approved mitigation.
  - ▶ allows any challenges to agency final approvals to be funneled into a single consolidated hearing.
  - ▶ Authorizes the applicant, permit action teams and participating local governments to agree to incorporate into a single document the permits, licenses and approvals obtained through the expedited permitting review process.
  
- Provides a special assistance process for REDI counties. OTTED, working with REDI and the regional permitting teams, is to provide technical assistance in preparing permits for rural counties. This additional assistance can include providing guidance in land development regulations and permitting processes, and working cooperatively with state, regional and local entities to identify areas within these counties which may be suitable or adaptable for preclearance review of specified types of land uses and other activities requiring permits.
  
- Prohibits certain types of projects from using the expedited process.
  - ▶ a project funded and operated by a local government and located within that government's jurisdiction.
  - ▶ a project, the primary purpose of which is to:
    - effect the final disposal of solid waste, biomedical waste, or hazardous waste in the state.
    - produce electrical power (unless the production of electricity is incidental and not the project's primary function).
    - extract natural resources.
    - produce oil.
    - construct, maintain, or operate an oil, petroleum, natural gas, or sewage pipeline.

## ECONOMIC DEVELOPMENT LIAISONS

- Section 288.021, F.S., provides for the appointment of Economic Development Liaisons in the departments of Transportation (including each District Office), Environmental Protection, Labor

& Employment Security, Education, Community Affairs, Management Services, the Game and Fresh Water Fish Commission, Revenue, and each Water Management District. Each department appointee has general knowledge of both the state's permitting and other regulatory functions and of the state's economic goals, policies and programs.

- This person is expected to be the primary point of contact for the agency with OTTED on issues and projects important to the economic development of Florida, including its rural areas, to expedite project review, to ensure a prompt, effective response to problems arising with regard to permitting and regulatory functions, and to work closely with other liaisons to resolve interagency conflicts.

#### QUICK BUSINESS COUNTIES [*Effective July 1, 1999*]

- Encourages local governments to expedite and streamline permitting, adopt permitting best management practices and integrate local permitting processes into the statewide One-Stop Permitting Internet System.
- Counties who adopt and implement permitting best management practices may be designated as QBCs by the Department of Management Services (DMS). Once designated, the county is eligible for grant money to connect to the One-Stop Permitting Internet System. Up to \$50,000 in grant monies is available to purchase software, hardware or consulting services necessary to interface with the System. Grant monies are allocated on a first-come, first-serve basis.
- QBCs may receive delegation from OTTED to certify projects as eligible for expedited review and convene regional permit action teams for that purpose. In order to receive such delegation, the county must hold a public hearing explaining the expedited permitting process and agree to execute a MOA to participate in individual expedited permitting projects.

#### ONE-STOP PERMITTING INTERNET SYSTEM [*Effective January 1, 2000*]

- The DMS is authorized to create, by January 1, 2000, a One-Stop Permitting Internet System. The System is to provide individuals and businesses with a central source of permit information and requirements, as well as who to contact for a specific location. During its first year of operation, the System will include permits required from DEP, DCA, DOT, each WMD, and QBCs. Additional state agencies as well as counties and municipalities will be added the following year.
- Incentives associated with using the System include:
  - ▶ Easy application filing. The System allows a business or individual to complete and submit application permit forms to state agencies and counties over the Internet.
  - ▶ Faster approvals. Applications submitted over the System are to be issued or denied **within 60 days** of receipt of a complete application.
  - ▶ Permit Fee Waivers. Fees for complete permit applications received by the agency are waived for the first six-months of an agency's participation in the One-Stop Permitting System. [Note: those fees associated with certain siting acts in Florida law are not waived.]

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### **CAPITAL INVESTMENT TAX CREDIT**

#### **How It Works**

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#### **SUMMARY**

The **Capital Investment Tax Credit** is used to attract and grow capital-intensive industries in Florida. It is an annual credit against the corporate income tax for up to 20 years in an amount equal to 5 percent of the eligible capital costs generated by a qualifying project. 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.

#### **AMOUNT OF CREDIT**

The annual credit may not exceed a specified percentage of the annual corporate income tax liability generated by the project. Those percentages are:

- one hundred percent, for a project with a cumulative capital investment of at least \$100 million;
- seventy-five percent, for a project with a cumulative capital investment of at least \$50 million but less than \$100 million; and
- fifty percent, for a project with a cumulative capital investment of at least \$25 million but less than \$50 million.

#### **ELIGIBILITY**

In order to participate in the program, a company must apply to Enterprise Florida and be certified by OTTED **prior to the commencement of operations**. In order to qualify for consideration under the program, an applicant must:

- be in a designated high impact sector (silicon technology; transportation equipment manufacturing—SICs 372, 376 and 3711; or information technology—SICs 357, 366, 367, 481, 482 and 737);
- create at least 100 new jobs in Florida in connection with the project; and
- make a cumulative capital investment of at least \$25 million in connection with the project during the period from the beginning of construction to the commencement of operations.

## APPLICATION PROCESS

- EFI staff will shepherd businesses and communities through the entire application process, ensuring that the company understands the application and what is required for a complete, effective application.
- EFI will review the completed application and report its evaluation and recommendation to the Director of OTTED.

## APPROVAL PROCESS

- The certification process includes an evaluation of the project's impact on the local, regional and state economies.
- The business will receive written notification of the Director's approval or disapproval of the application for certification. If the application is approved, the certification will be returned to the applicant and should be attached to the applicant's tax return for filing with DOR.

## BUSINESS AND DEPARTMENT OF REVENUE SIGN AGREEMENT

- EFI staff will provide the business with the appropriate contacts within DOR and will continue to assist, as necessary, in this process.
- Upon receipt of the certification, the DOR enters into an agreement with the qualifying business.

## CLAIMING THE CREDIT

- Prior to receiving tax credits, the qualifying business must achieve the minimum employment goals beginning with the commencement of operations at a qualifying project. The qualifying business will also demonstrate achievement of the employment goal to OTTED by providing the requested documentation prior to the time the corporate income tax would otherwise be due.
- At the time the corporate income tax would otherwise be due, the company will submit a pro forma income statement which identifies income generated by or arising out of the qualifying project along with its tax return. The completed tax return must also indicate the amount of corporate income tax credit claimed, based upon the accompanying pro forma statement.
- Each year thereafter during which tax credits are available, the qualifying business must demonstrate to OTTED that it has maintained the job creation and capital investment levels required which are subject to audit by DOR. Credits granted may **not** be carried forward or backward with respect to a subsequent or prior year.

Statutory Reference: [http://www.leg.state.fl.us/citizen/documents/statutes/1998/ch0220/SEC191\\_.HTM#0220.191](http://www.leg.state.fl.us/citizen/documents/statutes/1998/ch0220/SEC191_.HTM#0220.191)

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### **HIGH IMPACT PERFORMANCE INCENTIVE GRANT (HIPI)**

#### **How It Works**

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The **High Impact Business Performance Incentive Grant** is a negotiated incentive used to attract and grow major high impact facilities in Florida. Grants are provided to pre-approved applicants in certain high-impact sectors as designated by the Governor's Office of Tourism, Trade and Economic Development (OTTED). Currently two sectors are designated as high impact--Silicon Technology and Transportation Equipment Manufacturing (SICs 372, 376 and 3711).

Once recommended by Enterprise Florida, Inc. (EFI) and approved by OTTED, the high impact business is awarded 50 percent of their eligible grant upon commencement of operations and the balance of the awarded grant once full employment and capital investment goals are met.

#### **ELIGIBILITY**

In order to participate in the program, a company must apply to Enterprise Florida prior to making a decision to locate or expand in Florida. In order to qualify for consideration under the program, an applicant must:

- be in a designated high impact sector (currently silicon technology or transportation equipment manufacturing);
- create at least 100 new full-time equivalent jobs in Florida in a designated high impact sector in a 3-year period; or if a research and development facility, create at least 75 new full-time equivalent jobs in a 3-year period; and
- make a cumulative investment in the state of at least \$100 million in a 3-year period, or if a research and development facility, make a cumulative investment of at least \$75 million in a 3-year period.

#### **APPLICATION PROCESS**

- EFI staff will shepherd businesses and communities through the entire application process, ensuring that the company and community understand the application and what is required for a complete, effective application.
- Enterprise Florida shall review the completed application and report its evaluation to the Director of OTTED, who makes the final decision on the project. EFI's evaluation shall include a recommendation regarding approval or disapproval of the application as well as a grant award amount.
- While the law grants EFI 10 days to evaluate and recommend an application, a recommendation will typically be forwarded within 5 days.

## AWARD GUIDELINES

Section 288.108 (3)(b), Florida Statutes, provides guidelines on the amount of grant to be given to an eligible high impact business:

- if the high impact business makes a cumulative investment of \$100 million and creates 100 jobs, it may be eligible for a total grant award of \$1 to \$2 million;
- if the business makes a cumulative investment of \$800 million and creates 800 jobs, it may be eligible for a total grant award of \$10 to \$12 million.

Similarly, for a qualified high impact business **engaged in research and development**:

- if the business makes a cumulative investment of \$75 million and creates 75 jobs, it may be eligible for a total grant award of \$2 to \$3 million;
- if the business makes a cumulative investment of \$150 million and creates 150 jobs, it may be eligible for a total grant award of \$3.5 million to \$4.5 million.

<u>Type of Facility</u>	<u>Jobs Created</u>	<u>Capital Investment</u>	<u>Grant Range</u>
Qualified High Impact Business ( Manuf.)	100*	\$100 million*	\$ 1 - \$2 million
Qualified High Impact Business ( Manuf.)	800	\$800 million	\$10 - \$12 million
Qualified High Impact Business ( R & D)	75*	\$ 75 million*	\$ 2 - \$3 million
Qualified High Impact Business (R & D)	150	\$150 million	\$ 3.5-\$ 4.5 million

\* minimum to be eligible

## APPROVAL PROCESS

- OTTED's approval or disapproval of the application is in the form of a "final order." If the application is approved, the final order will specify the total amount of the performance grant, the performance conditions that must be met to obtain the award (including the employment, average salary, investment, the methodology for determining if the conditions have been met) and the schedule of performance grant payments.
- The law grants OTTED five days to approve or disapprove an application.
- Once an application is approved, the qualified high-impact business and the Director of OTTED sign a written grant refund agreement.

## ACCESSING GRANT FUNDS

- When the business certifies "**commencement of operations**" (as defined in the agreement) to OTTED and the terms of the agreement are met, the high impact business is awarded 50 percent of its grant.
- When the business certifies its achievement of "**full investment and employment goals**" (as defined in the agreement) and the terms of the agreement have been met, the high impact business is awarded the balance of the grant.

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### **SELECTED SALES TAX EXEMPTIONS FOR FLORIDA BUSINESSES**

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#### **FLORIDA MANUFACTURERS**

##### **ELECTRICITY AND STEAM**

A 5-year phase in period, beginning July 1, 1996, is being used to implement this sales tax exemption for certain designated industry. On July 1, 1999 the exemption climbs to 80 percent, then to 100 percent on July 1, 2000. A company must be on the WAGES registry to access this exemption.

The exemption shall be applied to 100 percent of the electricity or steam purchased if 75 percent or more is used in manufacturing. No separate metering is required to access this exemption.

The exemption shall be applied to 50 percent of the electricity or steam purchased if 50 to 75 percent is used in manufacturing. No separate metering is required.

There is no exemption if less than 50 percent of the electricity purchased is used in manufacturing.

##### **POLLUTION CONTROL EQUIPMENT**

The exemption shall apply to any facility, device, fixture, machinery or equipment required for pollution control, abatement or monitoring of equipment used in manufacturing processing or compounding items for sale.

##### **NEW AND EXPANDING MANUFACTURERS**

Sales tax exemptions are available to both new and expanding businesses registered with the WAGES Program. The Department of Labor and Employment Security maintain the statewide registry. The Department of Revenue will process all refunds or requests for temporary tax exemption applications.

##### **MACHINERY AND EQUIPMENT**

Qualifying machinery and equipment used by manufacturers new-to-Florida or certain printing facilities that increase their productive output by 10 percent are exempt from the sales tax or the sales tax is refundable.

For eligible expanding businesses that increase their productive output by more than 10 percent, the exemption is available upon payment of \$50,000 in sales or use tax per calendar year.

A company must be on the WAGES registry to access this exemption.

## **REPAIR AND LABOR CHARGES**

Beginning July 1, 1999, 25 percent of the sales tax on labor charges for the repair of, and parts and materials used in the repair of and incorporated into, industrial machinery and equipment that qualify for the sales tax exemption will also be exempt. The exemption will be phased in to 100 percent as follows:

- 50 percent beginning July 1, 2000
- 75 percent beginning July 1, 2001
- 100 percent beginning July 1, 2002

## **PRINTING AND PUBLISHING**

Printing firms may now qualify for the new or expanding business exemption. In addition, the exemption for new and expanding businesses is extended to industrial machinery and equipment purchased by publishing firms which export at least 50 percent of their finished product out of the State. If a single legal entity is engaged in both printing and publishing, the export requirement will not apply.

## **MAINTENANCE OR REPAIR OF AIRCRAFT**

### **AIRCRAFT AND AIRCRAFT PARTS**

The exemption shall be applied to the sale or lease of certain aircraft to a common carrier.

The exemption shall also be applied to the purchase of aircraft parts, maintenance and repairs for aircraft weighing over 15,000 pounds and helicopters in excess of 10,000 pounds.

## **SILICON TECHNOLOGY**

An exemption is allowed for machinery and equipment used in silicon technology manufacturing or for silicon technology research and development.

All tax exemptions require an application process.

Additional information is available as to the requirements for each exemption.  
Please contact Enterprise Florida at 850/488-6300 for the most up-to-date information.



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### SILICON TECHNOLOGY SALES AND USE TAX EXEMPTION

#### How It Works

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#### SUMMARY

Florida exempts all purchases of manufacturing and research and development equipment by eligible silicon technology facilities from sales and use tax. Qualifying businesses are those that produce silicon products, such as silicon wafers or semiconductor chips, or are engaged in silicon research and development.

An optional bonus feature of this exemption allows a certified business to designate one or more state universities or community colleges as recipients of up to 100 percent of the amount of the exemption for which they may qualify. If the university or college agrees to receive the funds, it must further agree to match them equally and use the proceeds to provide services (research or education) directly to the certified business.

#### ELIGIBILITY

In order to participate in the program, a company must apply annually to Enterprise Florida for certification as a silicon technology facility. The business must document in the application the anticipated purchases of eligible machinery and equipment and the sales and use taxes otherwise payable on those purchases.

#### APPLICATION PROCESS

- EFI staff will shepherd businesses through the certification process, ensuring that the company understands the certification application and what information is required for a complete application.
- Enterprise Florida reports its recommendation to the Director of the Governor's Office of Tourism, Trade and Economic Development (OTTED) within 10 working days.

#### APPROVAL PROCESS

OTTED will make the final decision on the certification in five working days. The business will receive written notification of the Director's approval or disapproval. If approved, the certification will be transmitted to the Department of Revenue (DOR).

#### TAX EXEMPTION PERMIT

The DOR issues a tax exemption permit to the business which the business shall extend to dealers or suppliers for tax exempt purchasing or leasing of machinery and equipment for use in silicon technology production and research and development. Tax exempt purchases are subject to audit by the DOR.

Statutory Reference: <http://www.leg.state.fl.us/citizen/documents/statutes/1998/ch0212/SEC08...HTM#0212.08>

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# **ENTERPRISE**FLORIDA

*Partnering To Shape Florida's Future*

## **QUICK RESPONSE TRAINING INFORMATION**

_____ (Company Name)
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**WORKFORCE DEVELOPMENT BOARD**  
325 John Knox Road, Building 200  
Tallahassee, Florida 32303  
Phone: (850) 922-8645 ◆ Fax (850) 921-1101

[www.floridabusiness.com](http://www.floridabusiness.com)

FOR EFI USE ONLY	
Date Received	_____
Date Completed	_____
Project Number	_____

This application is available by E-mail.

## **QUICK RESPONSE TRAINING (QRT) PROGRAM GUIDELINES**

Applications for new and existing (expanding) businesses creating new high-quality jobs will be given equal consideration.

### **BUSINESS APPLYING FOR FUNDING:**

- ◆ must create new, permanent , full-time (35+ hours per week) jobs for Florida workers requiring customized entry-level skills training not available at the local level
- ◆ should create high-quality jobs paying an average annual wage of at least 115 percent of local or state private sector wages, whichever is lower, unless the business is located in a rural community or Enterprise Zone (See ES202 wage data attached)
- ◆ must produce an exportable (beyond local markets) good or service
- ◆ must expand their workforce resulting in a net increase in employment of not less than 10% or 100 employees, whichever is less, unless the business is located in a rural community or Enterprise Zone
- ◆ may not qualify for funding if relocating from one Florida community to another community (See “OTHER” below)

### **TRAINING SERVICES:**

- ◆ Can be provided through Florida’s community colleges, school districts, area vocational-technical centers, state universities or licensed and certified post – secondary institutions (when approved)
- ◆ Can be conducted at the business’s own facility, at the training provider’s facility or at a combination of sites
- ◆ Instructors can be either full or part-time educators or professional trainers from the business

### **REIMBURSEABLE TRAINING EXPENSES:**

- ◆ Instructors’/trainers’ salaries
- ◆ Curriculum Development
- ◆ Textbooks/manuals
- ◆ Materials and supplies

### **OTHER:**

- ◆ **Businesses relocating from one Florida community to another Florida community must establish, to Enterprise Florida's satisfaction, that without such relocation the business will move outside the state or has compelling economic rationale for the relocation that creates additional jobs. If Enterprise Florida approves the business for QRT funding, only the net new jobs created are eligible for training costs reimbursement.**
- ◆ Businesses approved for QRT funding are limited to one grant award per site every two years. Their subsequent application must establish that their current workforce has had a net increase in new jobs created and trained since their last grant award.
- ◆ Average annual wage means the average, for a twelve month period or, if less than a twelve month period, converted to a twelve month period, of actual wages, salaries, commissions, bonuses, drawing accounts (against future earnings), prizes and awards (if given by the employer for the status of employment), vacation pay, sick pay, and other payments, consistent with Florida Department of Labor and Employment Security definition, paid to employees. Benefits are not included.
- ◆ With the high demand and limited funding available for QRT assistance, all projects will be evaluated to leverage other state, federal and private funds with QRT funds.
- ◆ Businesses shall provide sufficient documentation to the training provider for identification of all participants that would allow access through the automated student data bases pursuant to section 229.8075 F.S., or electronic listings by social security number for calculation of performance measures, and any other outcomes as specified in section 446.601, F.S. or deemed pertinent to Enterprise Florida.

## **APPLICATION INSTRUCTIONS**

The Quick Response Training application is designed so that completion is a collaborative effort between the business requesting training and their chosen training provider – a community college, area technical center or state university. [See Florida Statutes 288.047(4)]. **It is suggested that you contact the Quick Response Training Program office to discuss your application before submitting a formal proposal.**

### **Step 1**

Businesses seeking training through the Quick Response Training Program will submit a letter requesting such services along with a completed application. The letter should address the following:

1. Description of type of goods or services produced and market area served.
2. Description of impact of business on the state's economy.
3. What has created the need for your business to acquire training services? Reasons could include: new product line; expansion of existing operation; or new move into Florida.
4. Declaration of intent to locate or expand in Florida.
5. What role the availability of training funds will play in your decision to locate or expand in Florida.
6. A statement requesting confidentiality, if so desired.

### **Step 2**

The business seeking training through the Quick Response Training Program will complete the Employer Identification (Part I) of the application only and attach a letter from the authorized local economic development organization recommending approval.

### **Step 3**

The training provider will complete the Training Summary (Part II) for each training program, and the following items:

1. Letter certifying that training is not available at the local level.
2. A budget containing detailed program-training costs. (see recommended format)

3. Key personnel participating in training program and qualifications of such personnel.
4. A projected hiring timeline. (see recommended format)
5. Student contact hours form. (see recommended format)
6. Summary of involvement the training provider has played in this application/project to date, as well as anticipated involvement throughout the life of the project. A description of the long-term benefit of the training provider to the employer should also be provided.

#### **Step 4**

Submit one original and **five (5)** copies of the signed completed application and documentation to the following:

Quick Response Training Program  
Enterprise Florida, Inc.  
Workforce Development Board  
325 John Knox Road, Building 200  
Tallahassee, Florida 32303  
FAX: (850) 921-1101

If you have any questions or need assistance in completing the application, please contact the Quick Response Training office at (850) 922-8645.

We look forward to working with you.

# ENTERPRISE FLORIDA

Partnering To Shape Florida's Future

The Atrium Building, Suite 201, 325 John Knox Road  
Tallahassee, Florida 32303  
850/488-6300 • Fax: 850/922-9595

## PARTNER INFORMATION

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### ECONOMIC DEVELOPMENT TRANSPORTATION FUND

#### How It Works

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#### SUMMARY

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 elimination of the problem **must serve as an inducement for a specific company's** location, retention, or expansion project in Florida and create or retain job opportunities for Floridians.

#### ELIGIBILITY

Eligible projects are those which facilitate economic development by eradicating location-specific transportation problems (e.g., access roads, signalization, road widening, etc.) on behalf of a specific eligible company (e.g., a manufacturing, corporate/regional headquarters, or recycling facility).

Up to \$2,000,000 may be provided to a local government to implement the improvements. The actual amount funded is based on specific job creation and/or retention criteria.

#### AWARD

more than \$1,000,000  
\$200,000 - \$1,000,000  
less than \$200,000

#### JOB OPPORTUNITIES CREATED/RETAINED

200 or more full-time positions  
100 or more full-time positions  
less than 100 full-time positions

NOTE: Maximum \$5,000 of EDTF funds per job (as specified in the Office of Tourism, Trade and Economic Development (OTTED) program guidelines). A waiver can be granted if the project is located in an area experiencing severe economic distress.

#### APPLICATION PROCESS

- The unit of government who will own and be responsible for maintenance of the transportation improvement must apply to Enterprise Florida and have approval of funds for its transportation project **PRIOR** to the final decision of the company on whose behalf the application was made.

- In order for the application to be considered, that company must estimate and disclose:
  - ▶ the capital investment it intends to make in the facility;
  - ▶ the number of permanent full-time jobs to be created and/or retained at the facility; and,
  - ▶ the average hourly wage, excluding benefits, for the new and/or retained permanent full-time jobs.
  
- Enterprise Florida staff will work closely with the community and the company to ensure the needs of the company are met and the application accurately reflects the transportation problem.

## **APPROVAL PROCESS**

- Upon receipt of an application, Enterprise Florida staff will determine if it is complete and meets program requirements. Any project found to meet these requirements will be presented to OTTED for funding consideration.
  
- Funding recommendations are based on:
  - ▶ the amount of funds requested;
  - ▶ the number of permanent full-time jobs created and/or retained;
  - ▶ the economic and demographic conditions of the community in which the location is being considered; and,
  - ▶ the degree of inducement for the project's location/expansion/retention decision.

## **AFTER PROJECT APPROVAL**

- **AFTER** funds for the transportation project are approved, the company may proceed with its final site selection decision/announcement.
  
- The Director of OTTED will enter into a contract with the applicant for the elimination of the transportation problem. Any costs incurred prior to the effective date of the contract are not eligible for reimbursement.

## **REQUESTING FUNDS PROCESS**

- **AFTER** the company, on whose behalf the application was made, has begun construction of its facility **AND** the local government has submitted necessary documentation, a request for funds may be submitted to OTTED.
  
- The local government may receive a 90-day advance of funds but must provide evidence of disbursement for eligible expenses before receiving additional funds. Otherwise, funds may be requested on a quarterly basis.

*Statutory Reference:* [http://www.leg.state.fl.us/citizen/documents/statutes/1998/ch0288/SEC063\\_.HTM#0288.063](http://www.leg.state.fl.us/citizen/documents/statutes/1998/ch0288/SEC063_.HTM#0288.063)