



## INCENTIVE INFORMATION SHEET

# QUALIFIED TARGET INDUSTRY TAX REFUND

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 net new full-time equivalent Florida 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 (EF) 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);
- submit an application before making a decision to locate or expand in Florida, and demonstrate that the tax refund will make a material difference in the company's decision to locate or expand in the community;
- create at least 10 net new full-time equivalent Florida jobs and; if an expansion project, increase employment by at least 10 percent (whichever is greater). For a project located in a rural community or an enterprise zone, the net increase in employment may be waived 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, a designated brownfield area 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 incentive and committing the community to provide a local match equaling 20 percent of the tax refund. If located in a Rural County or designated brownfield area, 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.

<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 submission of a complete, effective QTI application will be grounds for disapproval. Projects that clearly do not require inducement will not be approved.

## 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.
- EFI reports its evaluation of the application and recommendation to the Director of the Governor's Office of Tourism, Trade and Economic Development (OTTED) who makes the final decision on the project. While the law allows a maximum of 45 days to evaluate the completed application, EFI makes every effort to expedite the process to meet the applicant's schedule.

## APPROVAL PROCESS

- OTTED's approval or disapproval of the application is in the form of a letter of certification.
- If the application is approved, the certification 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 allows a maximum of 30 days to evaluate the completed application, OTTED makes every effort to expedite the process to meet the applicant's schedule.
- Once the QTI application is approved, the business will begin working directly with OTTED to finalize the tax refund agreement. Within 120 days of issuance of the certification, 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, including the local match, directly to the business.
- ***The Economic-Stimulus Exemption (Chapter 288.106 (4)(b)4, F.S.) can be requested for claims scheduled to be submitted after January 1, 2001 but before July 1, 2004.***

*StatutoryReference: Section 288.106, Florida Statutes*

# QUALIFIED TARGET INDUSTRY (QTI) TAX REFUND TARGET INDUSTRIES

Effective November 1, 2001

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.

## MANUFACTURING FACILITIES

Chemical Manufacturing  
 Pharmaceutical Manufacturing  
 Plastics & Rubber Products Manufacturing  
 Computer & Electronic Product Mfg  
 Computer & Electronic Component Mfg  
     *Electromedical Apparatus Mfg*  
     *Irradiation Apparatus Mfg*  
     *Laser Manufacturing*  
     *Optoelectronics Manufacturing*  
     *Reproducing Magnetic & Optical Media Mfg*  
     *Semiconductor Manufacturing*  
     *Software Reproducing*  
 Transportation Equipment Manufacturing  
     *Aviation & Aerospace Manufacturing*  
 Machinery Manufacturing  
     *Electronic Flight Simulator Manufacturing*  
     *Instruments for Measuring & Testing Electricity*  
     *Lens Manufacturing*  
     *Optical Instruments Manufacturing*  
     *Power Distribution, Generation & Technology*  
 Electrical Equipment Manufacturing  
     *Appliance Component Manufacturing*  
     *Fiber Optic Cable Manufacturing*  
 Miscellaneous Manufacturing  
     *Surgical & Medical Instrument Manufacturing*  
 Food & Beverage Products Manufacturing  
 Textile Mills & Apparel Manufacturing  
 Wood & Paper Product Manufacturing  
 Printing & Related Support Activities  
 Metal Manufacturing  
 Furniture & Related Products Manufacturing

## FINANCE & INSURANCE SERVICES

Nondepository Credit Institutions  
     *Credit Intermediation & Related Activities*  
 Securities, Commodity Contracts  
 Insurance Carriers  
 Funds, Trusts & Other Financial Vehicles

## WHOLESALE TRADE

*Business-to-Business Electronic Marketing*

## INFORMATION INDUSTRIES

Sound Recording Industries  
     *Integrated Record Production/Distribution*  
 Film, Video & Electronic Media  
     *Production (Excluding temporary "on location" filming)*  
     *Postproduction Services*  
 Information Services & Data Processing  
     *Internet Service Providers, Web Search Portals*  
     *Data Processing Services*  
     *On-line information Services*  
 Publishing Industries  
     *Software Publishing*  
     *Music Publishing*  
 Telecommunications  
     *Satellite Communications*

## PROFESSIONAL, SCIENTIFIC & TECHNICAL SERVICES

Professional, Scientific & Technical  
     *Computer Programming / Software Development*  
     *Computer System Design*  
     *Management, Scientific & Tech Services*  
     *Research and Development*  
     *Scientific and Technical Consulting Services*  
     *Simulation Training*  
     *Testing Laboratories*

## MANAGEMENT SERVICES

Management Services  
     *National, International & Regional Headquarters*  
     *Offices of Bank Holding Companies*

## ADMINISTRATIVE & SUPPORT SERVICES

Customer Care Centers  
     *Telephonic & On-line Business Services*  
     *Customer Support*  
     *Transaction Processing*  
     *Technical Support*  
 Credit Bureaus

\* Those industries in italics are examples of the subsections.