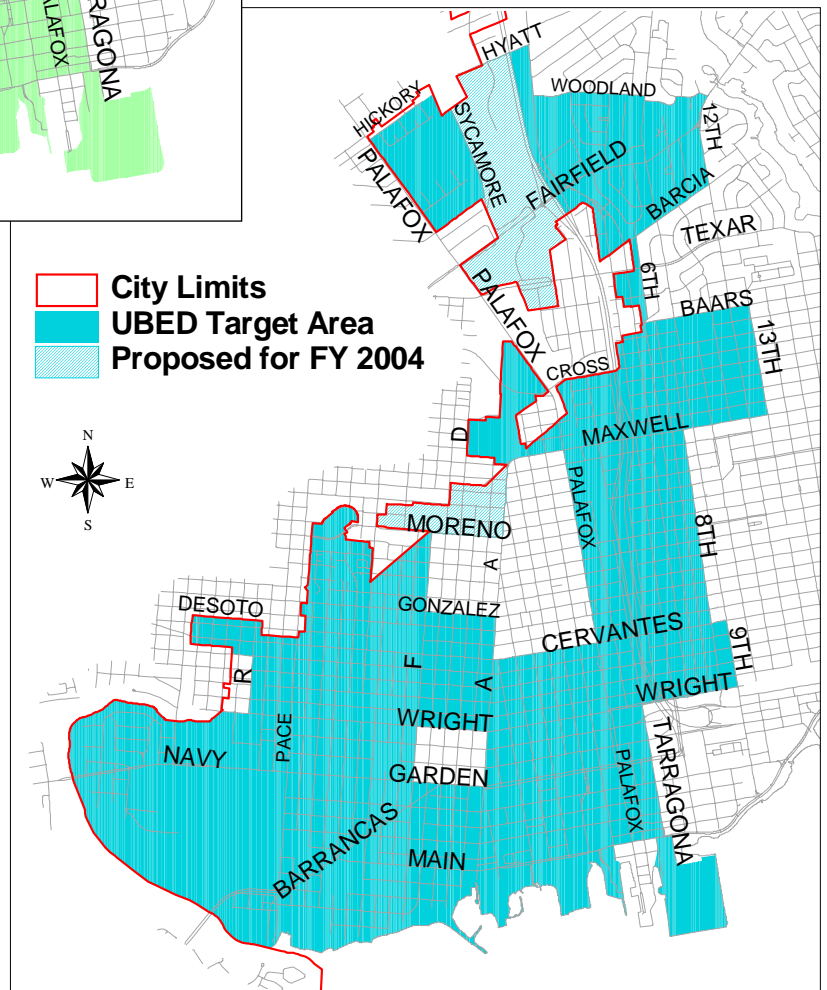


Incentive Qualifying Target Areas



**For more information
 contact:**
 City of Pensacola
 Planning & Neighborhood
 Development Department
 436-5655



ECONOMIC DEVELOPMENT INCENTIVES



	STATE JOBS TAX CREDIT (Sales & Use Tax) <i>Section 212.096, Florida Statutes</i>	STATE JOBS TAX CREDIT (Corporate Income Tax) <i>Section 220.181, Florida Statutes</i>	STATE SALES TAX REFUND FOR BUSINESS MACHINERY & EQUIPMENT USED IN AN ENTERPRISE ZONE <i>Section 212.08(5)(h), Florida Statutes</i>
<i>What is the program?</i>	Allows businesses located in a Florida enterprise zone, who collect and pay Florida sales and use tax, and create a new full-time job, a credit against their tax based on wages paid to new employees (in a full-time job) who have been employed by the business for at least 3 months and are residents of a Florida enterprise zone (or are Welfare Transition Program participants)	Allows businesses located in an enterprise zone who pay corporate income tax, and create a new full-time job, a corporate income tax credit for the wages paid to new employees (in a full-time job) who have been employed by the business for at least 3 months and are residents of a Florida enterprise zone (or are Welfare Transition Program participants)	A refund is available for sales taxes paid on the purchase of certain business property, (e.g. tangible personal property such as office equipment, warehouse equipment, and some industrial machinery and equipment), which is used exclusively in an enterprise zone for at least three years.
<i>What are the advantages?</i>	This incentive provides a credit of 20% of wages paid to new eligible employees who are residents of a Florida enterprise zone. If 20% or more of the permanent, full-time employees are residents of a Florida enterprise zone, the credit is 30%.	This incentive provides a credit of 20% of wages paid to new eligible employees who are residents of a Florida enterprise zone. If 20% or more of the permanent, full-time employees are residents of a Florida enterprise zone, the credit is 30%. A five-year carry-forward provision is available for unused portions of past credits.	This incentive reduces the cost of purchasing new and used qualified tangible personal property that is used in an enterprise zone.
<i>What are the limitations?</i>	Enterprise Zone businesses only.* The credit is limited to the amount of tax due on each return. There is no refund or carry-forward for credit in excess of the tax due. This credit is not available if the Enterprise Zone Jobs Tax Credit, (corporate tax), is taken. The credit is limited to 24 months if the employee is employed for 24 months.	Enterprise Zone businesses only.* Firms must earn more than \$5,000 to take advantage of the credit. The Federal tax burden may increase since state tax liability is reduced. The amount of the credit also must be added back to Florida taxable income. This credit is not available if the Credit Against Sales Tax for Job Creation is taken.	Enterprise Zone businesses only.* Business equipment must have a sales price of at least \$5,000 per unit. The maximum refund per application will be no more than \$5,000 or 97% of the tax paid. If 20% or more of the permanent, full-time employees of the business are residents of a Florida enterprise zone, the refund will be no more than the lesser of \$10,000 or 97% of the tax paid.
<i>How do I receive the credit?</i>	Form DR-15ZC must be submitted to an E. Z. Coordinator and DOR within 6 months after the new employee is hired (<u>7 months for leased employees</u>). Within 10 working days of receiving a completed tax credit application, DOR will notify the business that the application has been approved.	Form F-1156Z, which requires a list of names and addresses of eligible employees, must be certified by an Enterprise Zone Coordinator and submitted with the business' corporate income tax return.	Form DR-26S and Form EZ-E must be certified by an Enterprise Zone Coordinator for the enterprise zone in which the business is located, and must be filed with the Department of Revenue within 6 months of when the business equipment is purchased or the tax due.



ECONOMIC DEVELOPMENT INCENTIVES



	STATE SALES TAX REFUND FOR BUILDING MATERIALS USED IN AN ENTERPRISE ZONE <i>Section 212.08(5)(g), Florida Statutes</i>	STATE PROPERTY TAX CREDIT (Corporate Income Tax) <i>Section 220.182, Florida Statutes</i>
<i>What is the program?</i>	<p>A refund is available for sales taxes paid on the purchase of building materials used to rehabilitate real property located in an enterprise zone.</p> <p>This incentive is limited to owners, lessors, lessees of the real property that is rehabilitated within an enterprise zone.</p>	<p>New or expanded businesses located in an enterprise zone are allowed a credit on Florida corporate income tax equal to 96% of ad valorem taxes paid on the new or improved property (the assessment rate varies by county).</p>
<i>What are the advantages?</i>	<p>This incentive reduces the cost of rehabilitating real property that is located in an enterprise zone.</p>	<p>Any unused portion of the credit may be carried forward for five years.</p> <p>The credit can be claimed for five years, up to a maximum of \$50,000 annually, if 20% or more employees are enterprise zone residents; otherwise the credit is limited to \$25,000 annually.</p>
<i>What are the limitations?</i>	<p>Enterprise Zone properties only* (Both commercial and residential parcels qualify).</p> <p>The total amount of the sales tax refund must be at least \$500, but no more than the lesser of \$5,000 or 97% of the tax paid per parcel of property. (approximately \$8,600 in materials) If 20% or more of the permanent, full-time employees of the business are residents of a Florida enterprise zone the refund will be no more than the lesser of \$10,000 or 97% of the tax paid per parcel.</p>	<p>Enterprise Zone businesses only*.</p> <p>Firms must earn more than \$5,000 to take advantage of the credit.</p> <p>The Federal tax burden may increase, since state tax liability is reduced. The amount of the credit must also be added back to Florida taxable income.</p>
<i>How do I receive the credit?</i>	<p>Form DR-26S and Form EZ-M certified by an Enterprise Zone Coordinator must be filed with the Department of Revenue within 6 months of when the improvements are certified as being substantially complete or within 90 days after the property is first subject to assessment.</p>	<p>Businesses must file Form DR-456 with the county property appraiser before April 1 of the first year in which the new or expanded property is subject to assessment. A Zone Coordinator will certify Form F-1158Z and provide copies to the Department of Revenue. Firms must include copies of receipts for applicable ad valorem taxes paid with tax returns and Form F-1158Z</p>



ECONOMIC DEVELOPMENT INCENTIVES



	ECONOMIC DEVELOPMENT AD VALOREM TAX EXEMPTION (EDATE) <i>Section 196.1995, Florida Statutes</i>	URBAN BUSINESS ECONOMIC DEVELOPMENT PROGRAM <i>Local Incentive</i>
<i>What is the program?</i>	New or expanded businesses located in the City of Pensacola may apply for up to 10 years exemption of Ad Valorem taxes for the value of the improvements to real property and tangible personal property.	Provides grants not to exceed \$2,000, and/or five (5) year forgivable matching loans not to exceed \$50,000, to owners of commercial buildings located in the Enterprise Zone (EZ) or CDBG target area within eligible designated slum and blight areas.
<i>What are the advantages?</i>	Up to 100% of additional ad valorem taxes created due to increased property value through new construction, rehabilitation or expansion may be waived for up to 10 years.	Eligible applicants can receive a grant not to exceed \$2,000 for facade improvements for a stand-alone project, or a deferred loan not to exceed the maximum amount of \$50,000 per property owner. Grants are not subject to matching funds. Program is available in Enterprise Zone (EZ) or CDBG target area within eligible designated slum and blight areas.
<i>What are the limitations?</i>	<p>The exemption only applies to ad valorem taxes paid to the City of Pensacola and does not apply to County, School District or ECUA taxes. Must file no later than March 1 of each year.</p> <p>Businesses located in the City of Pensacola, but not in an Enterprise Zone, must meet employee thresholds as defined in section 196.011 of the Florida Statutes (varies by business activity, minimum 10).</p> <p>Enterprise Zone businesses have no job creation criteria.</p> <p>Additional criteria may apply to receive the maximum exemption of 100% for 10 years.</p>	<p>“UBED” Target Area only.</p> <p>Only property owners may apply. Loans require a minimum 100% match. City funds are limited to exterior improvements of the building and/or elimination of code violations. Funding for UBED is limited and is appropriated annually by City Council.</p> <p>Each applicant is limited to one grant and one loan.</p> <p>All grants will be secured by a lien. All loans will be secured by a mortgage/trust deed. Liens are forgiven 1 year from the date of project completion. Loans will be forgiven 20% per year over a 5 year period. The loan balance is payable if the property is sold or if the ownership is transferred within 5 years from the date of the loan.</p> <p>Projects must demonstrate a public benefit of visibly eliminating slum and blight.</p>
<i>How do I receive the credit?</i>	Businesses must file Form DR-418 with the City of Pensacola no later than March 1 of the year the exemption is desired to take effect. The City of Pensacola will then submit the application to the property appraiser for review and a report as to the fiscal impact of granting the exemption. The City Council will adopt an ordinance in the usual manner if determined that an exemption is to be granted.	Businesses must complete a UBED application form available from the City’s Enterprise Zone Coordinator, CRA or Housing Department. Each application will be evaluated for award by a review committee. Applications over \$10,000 will be evaluated and submitted to City Council for approval.