



## CORPORATE RECRUITMENT AND STATE 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 to help improve the standard of living, increase the tax base, attract and retain top-level management, and diversify the state economy.

Incentives are offered as either tax credits or grants. The incentive amount and duration is decided by the GOED Board and Executive Director based on statutory guidelines and evaluation criteria including the financial strength of the company, the number and salary of jobs created, amount of new state tax revenue, long-term capital investment, competition with other locations, and whether the company is a corporate headquarters or in a targeted cluster, including:

Software & Information Technology  
Defense & Homeland Security  
Aviation & Aerospace

Energy & Natural Resources  
Financial Services  
Life Sciences  
Outdoor Products & Recreation

### Corporate Incentives

#### Economic Development Tax Increment Financing (EDTIF)

A post-performance refundable tax credit for up to 30% of new state tax revenues (includes state corporate, sales and withholding taxes) over the life of the project (typically 5 – 10 years).

#### Industrial Assistance Fund (IAF)

A post-performance grant for the creation of high-paying jobs in the state.

#### 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

**Utah #1**

**Expected Economic Recovery**  
- American Legislative Exchange Council

**Utah #3**

**Best State For Business**  
- Forbes Magazine, 2009

**LOWEST DEBT PER CAPITA**

- The Pew Center on the States, 2008

**#3 Economic Development Hot Spot State**

- Expansion Management and National Policy Research Council

**Happiest U.S. State**

- MSNBC - Gallup, 2009

Wasatch Mountain Range and downtown Salt Lake City



**Utah #1**

**Lowest Debt Per Capita**  
- Forbes Magazine, 2010

**Utah #2**

**Most Competitive for Business**  
- Beacon Hill Institute

Frontrunner commuter rail, SLC metro



Hexcel Manufacturing, West Valley City



IM Flash-Intel/Micron joint technology venture, Lehi



Park City Main Street, Mark Maziarz



The Gateway outdoor retail development, Salt Lake City



Novell building, Provo



F-16 s from the 388th Fighter Wing, Hill AFB



Gallivan Utah Plaza, downtown Salt Lake City



**Rural Fast Track**

A post-performance grant available to small companies in rural Utah

**Requirements:**

- Be located in a county with a population less than 30,000 and average household income less than \$60,000
- Have been in business in the state for at least two years
- Have at least two employees
- Enter into an incentive agreement with GOED which specifies performance milestones
- Demonstrate how the business development project will promote business and economic development in a rural county
  - > Up to \$50,000 for a qualifying business development project
- Create and retain for at least 12 months new high-paying jobs in a rural county
  - > \$1,000 for each new job that pays over 110% of the county average wage
  - > \$1,250 for each new job that pays over 115% of the county average wage
  - > \$1,500 for each new job that pays over 125% of the county average wage

**Application Process**

1. Meet with GOED incentives team to complete and submit application  
*Note: Complete applications are due the second Thursday of the month for presentation to the Board the following month*
2. Work with local community to obtain commitment for local incentives
3. Incentive applications are considered by the GOED Board's Incentives Committee (typically the first 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 incentives 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 prior to commencement of the first incentives period

**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, or retail

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[business.utah.gov/incentives](http://business.utah.gov/incentives)