

WHAT IS AN ENTERPRISE ZONE?

The Florida Enterprise Zone program offers financial incentives to businesses located in, or that invest in, designated areas. These incentives are offered to encourage private investment in the area as well as increase employment opportunities for the area's residents.

ELIGIBLE BUSINESSES

Tax credit incentives are offered to all businesses located in a designated Enterprise Zone (EZ) which employ zone residents, rehabilitate real property, or purchase business equipment to be used in the EZ. Credits are available to businesses that pay the Florida Corporate Income Tax or the Florida Sales & Use Tax. Sales tax refunds are available for eligible purchases.

FINANCIAL INCENTIVES

Jobs Tax Credit for Sales & Use Tax

A tax credit is available for hiring residents of any EZ. Eligible businesses must be located within an EZ and collect and pay Florida Sales & Use Tax. Additionally,

- Eligible new employees are residents of any EZ who work at least 36 hours per week and are employed at least three months.

- Leased employees are eligible, but they must be employed for at least six months.

- Credit can be taken for the first 24 months that the employee remains employed.

Example: A business hires a new, eligible employee and pays him/her \$2,000 a month. The business is eligible for a \$400 monthly credit against its **Sales & Use Tax** (20% of monthly wages) for up to 24 months. Credits totaling \$9,600 (\$400 x 24 months).

Application: Complete form DR-15ZC and have it certified by the County's EZ Program Coordinator. Applications must be received by the Department of Revenue within six months of hire date (seven months for leased employees).

Jobs Tax Credit for Corp. Income Tax

A tax credit is available for hiring residents of an EZ. Eligible businesses must be located within an EZ and pay Florida Corporate Income Tax. Eligibility is based upon, but not limited to, the following requirements.

- Eligible new employees are residents of any EZ who work at least 36 hours per week and are employed at least three months.

- Leased employees are eligible, but they must be employed for at least six months.

- Can be taken for the first 24 months that the employee remains employed.

Example: A business hires a new, eligible employee and pays a monthly wage of \$2,000. The business is eligible for a \$400 monthly credit against its **Corporate Income Tax** (20% of monthly wages) for up to 24 months, totalling credits of \$9,600 (\$400 x 24 months).

Application: Complete form F-1156Z and have it certified by the County's EZ Program Coordinator. This form must be filed with the Florida Department of Revenue and then filed with the business's Florida Corporate Income Tax return (Form F-1120).

Building Materials Sales Tax Refund

A refund of Florida Sales & Use Tax paid on the purchase of building materials used to renovate or construct real property in the EZ is available

to any business or homeowner. Eligibility is based on, but not limited to, the following requirements.

- Purchase at least \$8,600 of building materials to be eligible for the minimum refund of \$500.

- Maximum refund is \$10,000 per parcel.

- Refund is allowed once per parcel, unless there is a change in ownership.

Example: A business renovates real property in the EZ and the materials cost \$12,000. That business is eligible for a sales tax refund of \$698 (\$12,000 x 6% x 97%).

Application: To receive the refund, complete forms DR-26S and EZ-M and have them certified by the County's EZ Coordinator. Both forms must be filed with the Florida Department of Revenue within six months of Certificate of Occupancy or by September 1st after the property is first subject to assessment.

Business Equipment Sales Tax Refund

A refund of Florida Sales & Use Tax paid on the purchase of eligible business equipment is available if the following criteria are met.

- Equipment is used exclusively in the Enterprise Zone for at least 3 years.

- Equipment minimum purchase price is at least \$5,000 per unit.

- Maximum refund amount is \$10,000.

Example: A business buys a piece of equipment for \$12,000 and pays Florida Sales & Use Tax. The business is eligible for a refund of \$698 (\$12,000 x 6% x 97%).

Application: Complete forms DR-26S and EZ-E and have them certified by the County's EZ Coordinator. Both forms must be filed with the Florida Department of Revenue within six months of when the equipment is purchased.

Property Tax Credit

A tax credit is available against Florida Corporate Income Tax for new or expanding businesses purchasing real property in an EZ. This credit is calculated based on the amount of ad valorem taxes paid.

Example: A business purchases real property in an EZ and creates five new jobs. Based on calculations of the ad valorem taxes paid, the business is eligible for an annual credit of \$25,000 for up to five years, with credits totalling \$125,000.

Application: To receive this credit, complete forms DR-456 and F-1158Z. Form DR-456 must be filed with the property appraiser before April 1st of the first year in which the property is first subject to assessment. Form F-1158Z must be certified by the EZ Coordinator and filed with the business's Florida Corporate Income Tax return (form F-1120).

Impact Fee Waivers

The Hillsborough County Enterprise Zone is located in a No-Fee Zone. Buildings in the EZ are exempt from select, not all, impact fees. Reductions in impact fees are automatic and do not require an application.

IMPORTANT NOTE FOR ALL APPLICATIONS: Credits/Refunds may have other limitations or requirements, and may require supporting documents. Refer to application packages to determine requirements.