



# Governor's Office of Economic Development

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State of Utah

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## Targeted Business Tax Credit Encourages Investment In Utah's Rural Communities

**Apply Jan. 1 through Feb. 1, 2019**

The Utah Governor's Office of Economic Development (GOED) encourages businesses to apply for the Targeted Business Tax Credit (TBTC). The program promotes private investment and job creation in rural Utah counties with populations less than 25,000 people.

"The Targeted Business Tax Credit is one of the tools in the toolbox that is largely underutilized. We are committed to changing that," said Ginger Chinn, GOED managing director of urban and rural business services.

The TBTC program encourages local businesses to make investments in rural communities. Businesses with projects that meet established criteria may receive up to \$100,000 in a refundable tax credit. The total available for all TBTC projects in 2019 is \$300,000.

The application and certification processes are completed through GOED. The tax credit reimbursement is issued through the Utah State Tax Commission for businesses that meet benchmarks and new-hire goals. The tax credit can be collected regardless of whether or not the business has a state tax liability.

Interested businesses should apply for the tax credit through GOED from Jan. 1 through Feb. 1, 2019.

To learn more about the program, and see if your business qualifies, visit [business.utah.gov/rural](http://business.utah.gov/rural).

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### Here's an example of how the Targeted Business Tax Credit works:

ABC company manufactures widgets and is located outside of Price, in Carbon County near the airport (which is located in an Enterprise Zone). They are ready to make a significant expansion/capital investment (of at least \$100,000) in the company and hire 10 new full-time employees.

ABC company applies in 2019 during the open application period for the TBTC, and because their project will make a significant impact to the local community, their application is approved and they are authorized to receive the maximum refundable tax credit of \$100,000.

In September 2019, the company purchases two large pieces of equipment totaling \$200,000 and hires 10 full-time employees. In February 2020, ABC company contacts GOED to complete the submission process. They provide the required information, and via the completed tax returns, it turns out for the tax year of 2019, they don't owe any state taxes. If all of the requirements are met with proper documentation, the state tax commission will issue a tax refund check of \$100,000 to ABC company.

**Businesses in the following categories are not eligible for the TBTC:**

- Construction
- Retail
- Public utility activities

**Does my business qualify?**

- The business needs to be located within a current Enterprise Zone. If you're unsure, talk with your local economic development director or visit [locate.utah.gov](http://locate.utah.gov).
- The business needs to employ at least 51 percent of employees (including new hires and current employees) at a facility located in an Enterprise Zone, or in an Enterprise Zone that is immediately adjacent and contiguous to the county where the project is located.

**About Utah Governor's Office of Economic Development**

Under the direction of Governor Gary Herbert, the Utah Governor's Office of Economic Development (GOED) provides resources and support for business creation, growth and recruitment, and drives increased tourism and film production in Utah. Utilizing state resources and private sector contracts, GOED administers programs in economic areas that demonstrate the highest potential for development. Learn more at [business.utah.gov](http://business.utah.gov) or by calling (801) 538-8680.