

ECONOMIC DEVELOPMENT TAX INCREMENT FINANCING

AMENDMENTS

2016 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Rebecca P. Edwards

Senate Sponsor: Lincoln Fillmore

LONG TITLE

General Description:

This bill modifies economic development incentives administered by the Governor's Office of Economic Development.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ allows for the state to pay certain outstanding financial commitments;
- ▶ enacts provisions for the state to pay a partial rebate to a business entity for a portion of new state revenue generated by a business entity's new commercial project for an agreement initially entered into before May 5, 2008;
- ▶ creates the Economic Incentive Restricted Account as a restricted account in the General Fund; and
- ▶ provides procedures for the applications and payment of a partial rebate.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

63N-2-109, Utah Code Annotated 1953

30 *Be it enacted by the Legislature of the state of Utah:*

31 Section 1. Section **63N-2-109** is enacted to read:

32 **63N-2-109. Payment of partial rebates.**

33 (1) As used in this section:

34 (a) "Account" means the Economic Incentive Restricted Account created in Subsection
35 (2).

36 (b) "Partial rebate" means an agreement between the office and a business entity under
37 which the state agrees to pay back to the business entity a portion of new state revenue
38 generated by a business entity's new commercial project.

39 (2) (a) There is created a restricted account in the General Fund known as the
40 Economic Incentive Restricted Account.

41 (b) The account shall consist of money transferred into the account by the Division of
42 Finance from the General Fund as provided in this section.

43 (c) The Division of Finance shall make payments from the account as required by this
44 section.

45 (3) The Division of Finance shall make partial rebate payments due under an
46 agreement initially entered into by the office before May 5, 2008, as provided in this section.

47 (4) (a) Each business entity seeking a partial rebate shall follow the procedures and
48 requirements of this Subsection (4) to obtain a partial rebate.

49 (b) Within 90 days of the end of each calendar year, a business entity seeking a partial
50 rebate shall:

51 (i) provide the office with documentation of the new state revenue that the business
52 entity generated during the preceding calendar year;

53 (ii) provide the office with a document that expressly directs and authorizes the State
54 Tax Commission to disclose to the office the business entity's returns and other information
55 that would otherwise be subject to confidentiality under Section [59-1-403](#) or Section 6103,
56 Internal Revenue Code; and

57 (iii) ensure that the documentation includes:

58 (A) the types of taxes and corresponding amounts of taxes paid directly to the State
59 Tax Commission; and
60 (B) the sales taxes paid to Utah vendors and suppliers that were indirectly paid to the
61 State Tax Commission.
62 (c) The office shall:
63 (i) audit or review the documentation for accuracy;
64 (ii) based on the office's analysis of the documentation, determine the amount of a
65 partial rebate that the business entity earned under the agreement; and
66 (iii) submit to the Division of Finance:
67 (A) a request for payment of a partial rebate to the business entity;
68 (B) the name and address of the payee; and
69 (C) any other information requested by the Division of Finance.
70 (5) Upon receipt of a request for payment of a partial rebate from the office, the
71 Division of Finance shall:
72 (a) transfer from the General Fund to the restricted account the amount contained in the
73 request for payment of a partial rebate after reducing the amount transferred by any
74 unencumbered balances in the restricted account; and
75 (b) notwithstanding Subsections [51-5-3\(23\)\(b\)](#) and [63J-1-104\(3\)\(c\)](#), after receiving a
76 request for payment of a partial rebate and making the transfer required by Subsection (5)(a),
77 pay the partial rebate from the account.