



# Evaluating Incentives:

Utah's Economic Development and Workforce Services  
Related Tax Credits and Grants

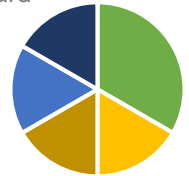
September 2017

## Policy Focus:

- Agriculture
- Economic Development
- Environment
- Other Public Good
- Research

## Incentive Evaluation Best Practices:

- Make a Plan:** Incentive scheduled to be reviewed by Rev/Tax
- Measure the Impact:** Data available on budget.utah.gov dashboard
- Measure the Impact:** Metrics for evaluation identified
- Inform Policy Choices:** Committee deep dive in 2016 or 2017
- Inform Policy Choices:** Legislatively defined purpose



## Credit/Program

Description

Code Reference

2015 Credit Claimed or  
\*FY 2016 Program Outlay  
Administrative Agency

Evaluation  
Best Practices

## Nonrefundable Tax Credits

### Research Activities

Tax credit for expenses related to research activities conducted in the state



59-10-1012, 59-7-612

**\$64,664,000**

Tax Commission



### Enterprise Zone

Tax credit for businesses that operate in enterprise zones in rural communities



59-10-1037, 59-7-614.10, 63N-2-213

**\$16,024,000**

GOED



### Qualifying Solar Project

Tax credit for a the purchase of a solar unit from a political subdivision



59-10-1024

**\$3,707,000**

Tax Commission



### Renewable Resident Energy

Tax credit for the purchase of a renewable residential energy system



59-10-1014, 59-7-614

**\$3,640,000**

OED



### Historic Preservation

Tax credit for the rehabilitation of a certified historic building



59-7-609

**\$3,329,000**

State Historic Preservation



### Utah Educational Savings Plan

Tax credit for contributions to a Utah Educational Savings Plan account



59-10-1017

**\$3,009,000**

USHE



### Low-income Housing

Tax credit for the development of qualified low-income housing



























59-10-1010, 59-7-607

















**\$1,912,000**

Utah Housing Corp.












| <b>Credit/Program</b><br>Description<br><i>Code Reference</i>  | 2015 Credit Claimed or<br>*FY 2016 Program Outlay<br><i>Administrative Agency</i> | Evaluation<br>Best Practices  |
|--|---|---|
| <b>Nonrefundable Tax Credits</b>   |   |   |
| <b>Clean Fuel Vehicle</b><br>Tax credit for the purchase of a clean fuel vehicle<br><br><i>59-10-1009, 59-7-605</i>   | <b>\$909,000</b><br><i>DAQ</i>  |    |
| <b>Recycling Market Development Zone</b><br>Tax credit for manufacturers that use recycling materials currently collected<br><br><i>59-10-1007, 59-7-610, 63N-2-402</i>                     | <b>\$816,000</b><br><i>GOED</i>   |    |
| <b>At Home Parent</b><br>Tax credit for full time at home parents whose household income is below a certain level<br><br><i>59-10-1005</i>  | <b>\$471,000</b><br><i>Tax Commission</i>   |    |
| <b>Heavy Duty Natural Gas Vehicles</b><br>Tax credit for the purchase of a natural gas heavy duty vehicle<br><br><i>59-10-1033, 59-7-618</i>  | <b>\$450,000</b><br><i>DAQ</i>  |    |
| <b>Employment of a Veteran</b><br>Tax credit for employing a recently deployed veteran<br><br><i>59-10-1031, 59-7-614.9</i>  | <b>\$119,000</b><br><i>DWS</i>  |   |
| <b>Qualified Sheltered Workshop Cash Contribution</b><br>Tax credit for contributions to a nonprofit rehabilitation facility for persons with a disability<br><br><i>59-10-1004</i>       | <b>\$21,000</b><br><i>Tax Commission</i>  |  |
| <b>Employment of a Person Who is Homeless</b><br>Tax credit for employing a person who is homeless<br><br><i>59-10-1032, 59-7-617</i>   | <b>\$11,000</b><br><i>DWS</i>   |  |
| <b>Alternative Energy Manufacturing</b><br>Tax credit for the manufacture of equipment or machinery used in alternative energy production<br><br><i>59-10-1030, 59-7-614.8, 63N-2-702</i> | <b>\$2,000</b><br><i>GOED</i>   |  |
| <b>Alternative Energy Development</b><br>Tax credit for the development of a new alternative energy project<br><br><i>59-10-1029, 59-7-614.7</i>  | <b>\$1,000</b><br><i>OED</i>  |  |
| <b>State Achieving A Better Life Experience Program</b><br>Tax credit for contributions to a qualified Achieving a Better Life Experience program<br><br><i>59-10-1035, 59-7-620</i>      | <b>\$0</b><br><i>DWS</i>  |  |

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| <b>Nonrefundable Tax Credits</b>   |   |   |
| <b>Rural Job Creation</b><br>Tax credit for investments in rural businesses that result in new jobs<br><br><i>59-10-1038, 59-7-621, 63N-4-301</i>            | \$<br><br><b>\$0</b><br><br><i>GOED</i>   |  |
| <b>Small Business Jobs</b><br>State new markets tax credit for investment in distressed areas<br><br><i>59-9-107, 63N-2-601</i>                              | \$<br><br><b>\$0</b><br><br><i>GOED</i>   |  |
| <b>High Cost Infrastructure Development</b><br>Tax credit for a project to retrofit a fuel refinery to meet EPA standards<br><br><i>59-10-1034, 59-7-619</i> | \$<br><br><b>\$0</b><br><br><i>OED</i>  |  |
| <b>Capital Gains for Utah Small Business</b><br>Tax credit for the use of capital gains to purchase stock in a Utah small business<br><br><i>59-10-1022</i>  | \$<br><br><b>\$0</b><br><br><i>Tax Commission</i>   |   |
| <b>Small Employer's Retirement Plan</b><br>Tax credit for small employers that offer a qualified retirement plan<br><br><i>59-10-1040, 59-7-622</i>          | <br><br><b>\$0</b><br><br><i>Tax Commission</i> |   |

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| <b>Refundable Tax Credits</b>   |   |   |
| <b>Economic Development</b><br>Tax credit for companies that create new high paying jobs or undertake significant capital investment in the state<br><i>59-10-1107, 59-7-614.2, 63N-2-103</i> | <div style="text-align: center;"> <br/> <b>\$10,532,000</b><br/> <i>GOED</i> </div>        |    |
| <b>Motion Picture Production</b><br>Tax credit for motion picture productions in the state<br><i>59-10-1108, 59-7-614.5, 63N-8-102</i>  | <div style="text-align: center;"> <br/> <b>\$2,850,000</b><br/> <i>GOED</i> </div>         |    |
| <b>Targeted Business</b><br>Tax credit for businesses that operate in enterprise zones in rural communities<br><i>63N-2-305</i>   | <div style="text-align: center;"> <br/> <b>\$867,000</b><br/> <i>GOED</i> </div>           |    |
| <b>Renewable Commercial Energy</b><br>Tax credit for the purchase of a renewable commercial energy system<br><i>59-10-1106, 59-7-614</i>  | <div style="text-align: center;"> <br/> <b>\$216,6000</b><br/> <i>OED</i> </div>           |    |
| <b>Agricultural Off-Highway Gas</b><br>Tax credit for the payment of gas tax on gasoline for off-highway agricultural use<br><i>59-13-202</i>   | <div style="text-align: center;"> <br/> <b>\$155,000</b><br/> <i>DAQ</i> </div>           |   |
| <b>Farm Operation Hand Tools</b><br>Tax credit for the purchase of hand tools used in agriculture<br><i>59-10-1105, 59-7-614.1</i>  | <div style="text-align: center;"> <br/> <b>\$6,000</b><br/> <i>Tax Commission</i> </div> |  |
| <b>Technology and Life Science</b><br>Tax credit for investment in certain life science establishments<br><i>59-10-1025, 63N-2-802</i>  | <div style="text-align: center;"> <br/> <b>\$5,000</b><br/> <i>GOED</i> </div>           |  |
| <b>Venture Capital</b><br>Tax credit for investments in the Utah fund of funds<br><i>63N-6-101</i>  | <div style="text-align: center;"> <br/> <b>\$1,000</b><br/> <i>UCIB</i> </div>           |  |

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| <b>Grants/Other Programs</b>   |   |   |
| <b>Permanent Community Impact Fund Grants</b><br>Grant program to mitigate impact of extraction in communities<br><br><i>35A-8-301</i>  | <b>\$55,579,000*</b><br><i>DWS</i>  |    |
| <b>Industrial Assistance Fund (Rural Fast Track)</b><br>Grants to support businesses in rural communities<br><br><i>63N-3-104</i>   | <b>\$881,000*</b><br><i>GOED</i>  |    |
| <b>Tourism Marketing Performance Fund Grants</b><br>Grants to support local tourism marketing efforts<br><br><i>63N-7-301</i>   | <b>\$4,536,000*</b><br><i>GOED</i>  |    |
| <b>Technology Commercialization Innovation Program</b><br>Grants to support promising technologies<br><br><i>63N-3-202</i>  | <b>\$1,544,000*</b><br><i>GOED</i>  |    |
| <b>Industrial Assistance Fund (Post-Performance Grants)</b><br>Grants to support projects with significant economic impact<br><br><i>63M-3-103</i>                               | <b>\$1,401,000*</b><br><i>GOED</i>  |   |
| <b>Industrial Assistance Fund (Economic Opportunities)</b><br>Grants to support entities that offer an economic opportunity<br><br><i>63N-3-109</i>                             | <b>\$1,025,000*</b><br><i>GOED</i>  |  |
| <b>Outdoor Recreation Infrastructure Grants</b><br>Grants to develop outdoor recreation infrastructure<br><br><i>63N-9-202</i>  | <b>\$515,000*</b><br><i>GOED</i>  |  |
| <b>Industrial Assistance Fund (Business Expansion and Retention)</b><br>Grants to local economic development officials to identify local business needs<br><br><i>63N-3-103</i> | <b>\$361,000*</b><br><i>GOED</i>  |  |
| <b>Industrial Assistance Fund (Smart Schools)</b><br>Grants to develop mobile device technology deployment plans for schools<br><br><i>63N-3-110</i>                            | <b>\$220,000*</b><br><i>GOED</i>  |  |

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|---|---|---|
| <b>Grants/Other Programs</b>  |   |   |
| <b>Private Activity Bond Authority</b><br>Tax-exempt bonding authority to finance affordable housing and manufacturing facilities and equipment<br><br><i>63N-5-101</i> | <br><b>\$170,000*</b><br><br><i>GOED</i> |  |
| <b>Motion Picture Production Grants</b><br>Grants for motion picture productions in the state<br><br><i>63N-8-103</i>   | <br><b>\$119,000*</b><br><br><i>GOED</i> |  |
| <b>Energy Research Triangle</b><br>Grants to encourage collaboration among energy researchers<br><br><i>63M-2-503</i>   | <br><b>\$0</b><br><br><i>USTAR</i>       |   |
| <b>Industry Partnership Program</b><br>Grants to address specific technology gaps identified by a company<br><br><i>63M-2-503</i>                                       | <br><b>\$0</b><br><br><i>USTAR</i>       |   |
| <b>Science And Technology Initiation Grant</b><br>Grants to assist university researchers in developing proof of concept experimentation<br><br><i>63M-2-503</i>        | <br><b>\$0</b><br><br><i>USTAR</i>      |   |
| <b>Technology Acceleration Program</b><br>Grants to support private sector technology development for Utah based companies<br><br><i>63M-2-503</i>                      | <br><b>\$0</b><br><br><i>USTAR</i>     |   |
| <b>University Technology Acceleration Grant</b><br>Grants to support transfer of technologies with commercial potential from university setting<br><br><i>63M-2-503</i> | <br><b>\$0</b><br><br><i>USTAR</i>     |   |