

# RURAL JOB CREATION AND THE ENERGY & MINERAL SECTORS

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#### ORD PROGRAMS, GRANTS AND INCENTIVES

- Rural Fast Track Grant\*
- Enterprise Zone Program\*
- EZ Non-Profit Program
- Recycling Zone
- Targeted Business Tax Credit (TBTC)\*
- Utah Rural Jobs Program\*
- Business Expansion & Retention (BEAR)
- Rural Employee Expansion Program (REDI)\*



#### RURAL FAST TRACK

The Rural Fast Track (RFT) program is a postperformance grant available to small rural businesses who are ready to grow









## **APPLICATION REQUIREMENTS**

- Small businesses located in 3<sup>rd</sup>, 4<sup>th</sup>, 5<sup>th</sup> and 6<sup>th</sup> class counties
- In business for two years
- Two current full-time employees
- Show profitability for two years
- Create and retain new high-paying jobs in rural county for at least 12 months



#### RURAL FAST TRACK INCENTIVES

### **Business Development Incentive**

Up to \$50,000 for qualifying project



#### **Job Creation Incentive**

- \$1,000: New full-time job paying 110% of average county wage
- \$1,250: New full-time job paying 115% of average county wage
- \$1,500: New full-time job paying 125% of average county wage

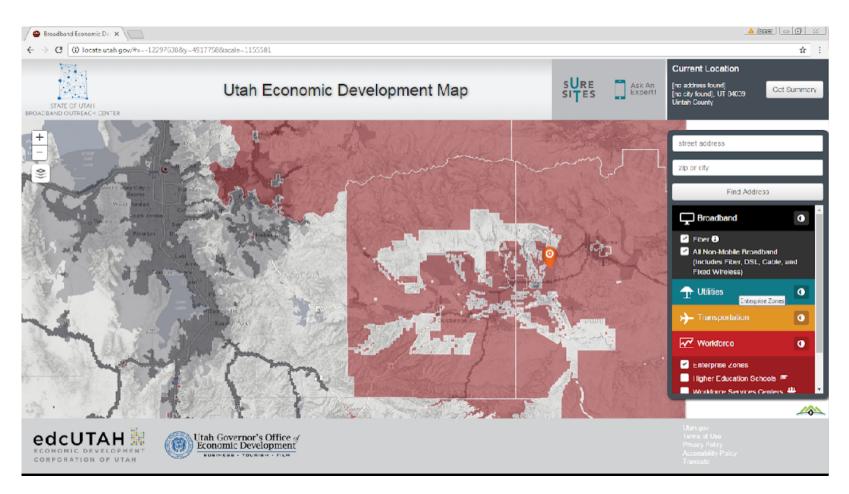


#### **ENTERPRISE ZONES**

- Area identified by local elected and economic development officials and designated by the state
- Cities under 20,000 in population in counties under 70,000 population
- Area identified by local Tribal leaders for tribal lands
- Application for Zone Area approval is based on economic development need, its quality, and a variety of economic distress factors



#### **ENTERPRISE ZONES**



www.locate.utah.gov





#### **ENTERPRISE ZONES**

#### **Two Types of Tax Credits**

✓ Employee (Job Creation) Tax Credit





✓ Capital Investment Tax Credit



# **EMPLOYEE (JOB CREATION) TAX CREDIT**

- \$750 tax credit
- Additional \$500 tax credit
- Additional \$750 tax credit
- Additional \$200 tax credit





#### CAPITAL INVESTMENT TAX CREDIT

- 25% of the first \$200,000 spent on rehabilitating a building, within an enterprise zone, which has been vacant for at least two years (Max. \$50,000)
- 10% of the first \$250,000 in investment
- 5% of the **next \$1,000,000** qualifying investment in plant, equipment, or other depreciable property (Max. \$75,000)







#### TARGETED BUSINESS TAX CREDIT

Encourages businesses to make significant capital investment and create significant numbers of jobs in designated Enterprise Zone Areas within rural counties of less than 25,000 in population



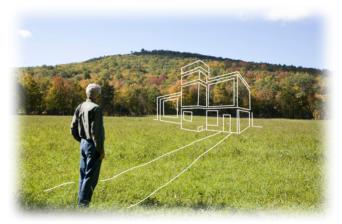


#### **TARGETED BUSINESS**

- Competitive application process
- Refundable tax credit (reduces risk)
- GOED may award up to \$300,000 in tax credits per year
- Company may only receive up to \$100,000 per project
- Tax Credit Certifications applied for AFTER project is completed



The **Utah Rural Jobs Program** enables an eligible small business located in a rural county\* to expand and create high wage jobs by providing flexible and affordable capital



\*Except Weber, Davis, Salt Lake, Utah, Tooele, Cache, Washington and Summit Counties



The Utah Rural Jobs Program has three types of participants:

- Investors
- Rural Investment Companies
- Eligible small businesses

Note: Small businesses work directly with RICs



- Aerospace
- Defense
- Energy and natural resources
- Financial services
- Life sciences
- Outdoor products
- Software development
- Information technology
- Manufacturing
- Agribusiness



# At the time of investment, company must:

- Have fewer than 150 employees
- Have less than \$10,000,000 in net income for the preceding taxable year
- Have the principal business operations in the State of Utah



\*Note: The Rural Jobs Program is available to start-up companies



#### RURAL EMPLOYEE EXPANSION PROGRAM

Rural
Economic
Development
Incentive





\*Note: incentive based on county average wage compared to state average wage





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