

Effective 5/10/2016

Superseded 5/14/2019

63N-2-103 Definitions.

As used in this part:

- (1) "Business entity" means a person that enters into an agreement with the office to initiate a new commercial project in Utah that will qualify the person to receive a tax credit under Section 59-7-614.2 or 59-10-1107.
- (2) "Community reinvestment agency" has the same meaning as that term is defined in Section 17C-1-102.
- (3) "Development zone" means an economic development zone created under Section 63N-2-104.
- (4) "High paying jobs" means:
 - (a) with respect to a business entity, the aggregate average annual gross wages, not including healthcare or other paid or unpaid benefits, of newly created full-time employment positions in a business entity that are at least 110% of the average wage of a community in which the employment positions will exist;
 - (b) with respect to a county, the aggregate average annual gross wages, not including healthcare or other paid or unpaid benefits, of newly created full-time employment positions in a new commercial project within the county that are at least 110% of the average wage of the county in which the employment positions will exist; or
 - (c) with respect to a city or town, the aggregate average annual gross wages, not including healthcare or other paid or unpaid benefits of newly created full-time employment positions in a new commercial project within the city or town that are at least 110% of the average wages of the city or town in which the employment positions will exist.
- (5) "Local government entity" means a county, city, or town that enters into an agreement with the office to have a new commercial project that:
 - (a) is initiated within the county's, city's, or town's boundaries; and
 - (b) qualifies the county, city, or town to receive a tax credit under Section 59-7-614.2.
- (6)
 - (a) "New commercial project" means an economic development opportunity that involves new or expanded industrial, manufacturing, distribution, or business services in Utah.
 - (b) "New commercial project" does not include retail business.
- (7)
 - (a) "New incremental jobs" means full-time employment positions that are filled by employees who work at least 30 hours per week and that are:
 - (i) with respect to a business entity, created in addition to the baseline count of employment positions that existed within the business entity before the new commercial project;
 - (ii) with respect to a county, created as a result of a new commercial project with respect to which the county or a community development and renewal agency seeks to claim a tax credit under Section 59-7-614.2; or
 - (iii) with respect to a city or town, created as a result of a new commercial project with respect to which the city, town, or a community development and renewal agency seeks to claim a tax credit under Section 59-7-614.2.
 - (b) "New incremental jobs" may include full-time equivalent positions that are filled by more than one employee, if each employee who works less than 30 hours per week is provided benefits comparable to a full-time employee.
 - (c) "New incremental jobs" does not include jobs that are shifted from one jurisdiction in the state to another jurisdiction in the state.
- (8) "New state revenues" means:

- (a) with respect to a business entity:
 - (i) incremental new state sales and use tax revenues that a business entity pays under Title 59, Chapter 12, Sales and Use Tax Act, as a result of a new commercial project in a development zone;
 - (ii) incremental new state tax revenues that a business entity pays as a result of a new commercial project in a development zone under:
 - (A) Title 59, Chapter 7, Corporate Franchise and Income Taxes;
 - (B) Title 59, Chapter 10, Part 1, Determination and Reporting of Tax Liability and Information;
 - (C) Title 59, Chapter 10, Part 2, Trusts and Estates;
 - (D) Title 59, Chapter 10, Part 4, Withholding of Tax; or
 - (E) a combination of Subsections (8)(a)(ii)(A) through (D);
 - (iii) incremental new state tax revenues paid as individual income taxes under Title 59, Chapter 10, Part 1, Determination and Reporting of Tax Liability and Information, by employees of a new or expanded industrial, manufacturing, distribution, or business service within a new commercial project as evidenced by payroll records that indicate the amount of employee income taxes withheld and transmitted to the State Tax Commission by the new or expanded industrial, manufacturing, distribution, or business service within the new commercial project; or
 - (iv) a combination of Subsections (8)(a)(i) through (iii); or
- (b) with respect to a local government entity:
 - (i) incremental new state sales and use tax revenues that are collected under Title 59, Chapter 12, Sales and Use Tax Act, as a result of a new commercial project in a development zone;
 - (ii) incremental new state tax revenues that are collected as a result of a new commercial project in a development zone under:
 - (A) Title 59, Chapter 7, Corporate Franchise and Income Taxes;
 - (B) Title 59, Chapter 10, Part 1, Determination and Reporting of Tax Liability and Information;
 - (C) Title 59, Chapter 10, Part 2, Trusts and Estates;
 - (D) Title 59, Chapter 10, Part 4, Withholding of Tax; or
 - (E) a combination of Subsections (8)(b)(ii)(A) through (D);
 - (iii) incremental new state tax revenues paid as individual income taxes under Title 59, Chapter 10, Part 1, Determination and Reporting of Tax Liability and Information, by employees of a new or expanded industrial, manufacturing, distribution, or business service within a new commercial project as evidenced by payroll records that indicate the amount of employee income taxes withheld and transmitted to the State Tax Commission by the new or expanded industrial, manufacturing, distribution, or business service within the new commercial project; or
 - (iv) a combination of Subsections (8)(b)(i) through (iii).
- (9) "Significant capital investment" means an amount of at least \$10,000,000 to purchase capital or fixed assets, which may include real property, personal property, and other fixtures related to a new commercial project:
 - (a) that represents an expansion of existing operations in the state; or
 - (b) that maintains or increases the business entity's existing work force in the state.
- (10) "Tax credit" means an economic development tax credit created by Section 59-7-614.2 or 59-10-1107.
- (11) "Tax credit amount" means the amount the office lists as a tax credit on a tax credit certificate for a taxable year.
- (12) "Tax credit certificate" means a certificate issued by the office that:

- (a) lists the name of the business entity, local government entity, or community development and renewal agency to which the office authorizes a tax credit;
- (b) lists the business entity's, local government entity's, or community development and renewal agency's taxpayer identification number;
- (c) lists the amount of tax credit that the office authorizes the business entity, local government entity, or community development and renewal agency for the taxable year; and
- (d) may include other information as determined by the office.