

30 **63M-1-2404**, as last amended by Laws of Utah 2013, Chapter 392

31 **63M-1-2405**, as last amended by Laws of Utah 2013, Chapter 392

32 **63M-1-2406**, as last amended by Laws of Utah 2014, Chapter 371

33 **63M-1-2407**, as last amended by Laws of Utah 2013, Chapter 310

34 REPEALS:

35 **63M-1-2408**, as last amended by Laws of Utah 2010, Chapters 164, 323, and 391

36 **Utah Code Sections Affected by Coordination Clause:**

37 **63M-1-2403**, as last amended by Laws of Utah 2010, Chapters 104 and 164



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

40 Section 1. Section **63M-1-202** is amended to read:

41 **63M-1-202. Director of office -- Appointment -- Removal -- Compensation.**

42 (1) The office shall be administered, ~~[directed, controlled,]~~ organized, and managed by
43 ~~[a] an executive~~ director appointed by the governor, with the consent of the Senate.

44 (2) The executive director serves at the pleasure of the governor.

45 (3) The salary of the executive director shall be established by the governor within the
46 salary range fixed by the Legislature in Title 67, Chapter 22, State Officer Compensation.

47 Section 2. Section **63M-1-2402** is amended to read:

48 **63M-1-2402. Findings.**

49 ~~[(1) The Legislature finds that:]~~

50 ~~[(a) to foster and develop industry in Utah is a public purpose necessary to assure~~
51 ~~adequate employment for, and the welfare of, Utah's citizens and the growth of the state's~~
52 ~~economy;]~~

53 ~~[(b) Utah loses prospective high paying jobs, new economic growth, and corresponding~~
54 ~~incremental new state and local revenues to competing states because of a wide variety of~~
55 ~~competing economic incentives offered by those states; and]~~

56 ~~[(c) economic development initiatives and interests of state and local economic~~
57 ~~development officials should be aligned and united in the creation of higher paying jobs that~~

58 ~~will lift the wage levels of the communities in which those jobs will be created.]~~

59 ~~[(2)]~~ This part is enacted to:

60 (1) foster and develop industry in the state, to provide additional employment
61 opportunities for Utah's citizens, and to improve the state's economy;

62 ~~[(a)]~~ (2) address the loss of prospective high paying jobs, the loss of new economic
63 growth, and the corresponding loss of incremental new state and local revenues [by providing]
64 to competing states caused by economic incentives offered by those states;

65 (3) provide tax credits to attract new commercial projects and new jobs in economic
66 development zones in the state; and

67 ~~[(b)]~~ (4) provide a cooperative and unified working relationship between state and
68 local economic development efforts.

69 Section 3. Section **63M-1-2403** is amended to read:

70 **63M-1-2403. Definitions.**

71 As used in this part:

72 (1) "Business entity" means a person that enters into an agreement with the office to
73 initiate a new commercial project in Utah that will qualify the person to receive a tax credit
74 under Section [59-7-614.2](#) or [59-10-1107](#).

75 (2) "Community development and renewal agency" ~~[is as]~~ has the same meaning as
76 that term is defined in Section [17C-1-102](#).

77 (3) "Development zone" means an economic development zone created under Section
78 [63M-1-2404](#).

79 (4) "High paying jobs" means:

80 (a) with respect to a business entity, the aggregate average annual gross wages, not
81 including healthcare or other paid or unpaid benefits, of newly created full-time employment
82 positions in a business entity that ~~[compare favorably against]~~ are at least 110% of the average
83 wage of a community in which the employment positions will exist;

84 (b) with respect to a county, the aggregate average annual gross wages, not including
85 healthcare or other paid or unpaid benefits, of newly created full-time employment positions in

86 a new commercial project within the county that ~~[compare favorably against]~~ are at least 110%
87 of the average wage of the county in which the employment positions will exist; or

88 (c) with respect to a city or town, the aggregate average annual gross wages, not
89 including healthcare or other paid or unpaid benefits of newly created full-time employment
90 positions in a new commercial project within the city or town that ~~[compare favorably against]~~
91 are at least 110% of the average wages of the city or town in which the employment positions
92 will exist.

93 (5) "Local government entity" means a county, city, or town that enters into an
94 agreement with the office to have a new commercial project that:

95 (a) is initiated within the county's, city's, or town's boundaries; and

96 (b) qualifies the county, city, or town to receive a tax credit under Section 59-7-614.2.

97 (6) (a) "New commercial project" means an economic development opportunity that
98 involves new or expanded industrial, manufacturing, distribution, or business services in Utah.

99 (b) "New commercial project" does not include retail business.

100 (7) (a) "New incremental jobs" means full-time employment positions that are filled by
101 employees who work at least 30 hours per week and that are:

102 ~~[(a) not shifted from one jurisdiction in the state to another jurisdiction in the state;~~
103 ~~and]~~

104 ~~[(b)]~~ (i) with respect to a business entity, created in addition to the baseline count of
105 employment positions that existed within the business entity before the new commercial
106 project;

107 (ii) with respect to a county, created as a result of a new commercial project with
108 respect to which the county or a community development and renewal agency seeks to claim a
109 tax credit under Section 59-7-614.2; or

110 (iii) with respect to a city or town, created as a result of a new commercial project with
111 respect to which the city, town, or a community development and renewal agency seeks to
112 claim a tax credit under Section 59-7-614.2.

113 (b) "New incremental jobs" may include full-time equivalent positions that are filled by

114 more than one employee, if each employee who works less than 30 hours per week is provided
115 benefits comparable to a full-time employee.

116 (c) "New incremental jobs" does not include jobs that are shifted from one jurisdiction
117 in the state to another jurisdiction in the state.

118 (8) "New state revenues" means:

119 (a) with respect to a business entity:

120 (i) incremental new state sales and use tax revenues that a business entity pays under
121 Title 59, Chapter 12, Sales and Use Tax Act, as a result of a new commercial project in a
122 development zone;

123 (ii) incremental new state tax revenues~~[, if any,]~~ that a business entity pays as a result
124 of a new commercial project in a development zone under:

125 (A) Title 59, Chapter 7, Corporate Franchise and Income Taxes;

126 (B) Title 59, Chapter 10, Part 1, Determination and Reporting of Tax Liability and
127 Information;

128 (C) Title 59, Chapter 10, Part 2, Trusts and Estates;

129 (D) Title 59, Chapter 10, Part 4, Withholding of Tax; or

130 (E) a combination of Subsections (8)(a)(ii)(A) through (D);

131 (iii) incremental new state tax revenues paid as individual income taxes under Title 59,
132 Chapter 10, Part 1, Determination and Reporting of Tax Liability and Information, by
133 employees of a new or expanded industrial, manufacturing, distribution, or business service
134 within a new commercial project as evidenced by payroll records that indicate the amount of
135 employee income taxes withheld and transmitted to the State Tax Commission by the new or
136 expanded industrial, manufacturing, distribution, or business service within the new
137 commercial project; or

138 (iv) a combination of Subsections (8)(a)(i) through (iii); or

139 (b) with respect to a local government entity:

140 (i) incremental new state sales and use tax revenues that are collected under Title 59,
141 Chapter 12, Sales and Use Tax Act, as a result of a new commercial project in a development

142 zone;

143 (ii) incremental new state tax revenues~~[, if any,]~~ that are collected as a result of a new
144 commercial project in a development zone under:

145 (A) Title 59, Chapter 7, Corporate Franchise and Income Taxes;

146 (B) Title 59, Chapter 10, Part 1, Determination and Reporting of Tax Liability and
147 Information;

148 (C) Title 59, Chapter 10, Part 2, Trusts and Estates;

149 (D) Title 59, Chapter 10, Part 4, Withholding of Tax; or

150 (E) a combination of Subsections (8)(b)(ii)(A) through (D);

151 (iii) incremental new state tax revenues paid as individual income taxes under Title 59,
152 Chapter 10, Part 1, Determination and Reporting of Tax Liability and Information, by
153 employees of a new or expanded industrial, manufacturing, distribution, or business service
154 within a new commercial project as evidenced by payroll records that indicate the amount of
155 employee income taxes withheld and transmitted to the State Tax Commission by the new or
156 expanded industrial, manufacturing, distribution, or business service within the new
157 commercial project; or

158 (iv) a combination of Subsections (8)(b)(i) through (iii).

159 ~~[(9) "Office" means the Governor's Office of Economic Development.]~~

160 ~~[(10)]~~ (9) "Significant capital investment" means an amount of at least \$10,000,000 to
161 purchase ~~[a] capital [asset] or [a] fixed [asset]~~ assets, which may include real property, personal
162 property, and other fixtures related to a new commercial project:

163 ~~[(a) with the primary purpose of the investment to increase a business entity's rate at~~
164 ~~which it produces goods based on output per unit of labor;]~~

165 ~~[(b)]~~ (a) that represents an expansion of existing ~~[Utah]~~ operations~~[, and]~~ in the state;

166 or

167 ~~[(c)]~~ (b) that maintains or increases the business entity's existing ~~[Utah]~~ work force in
168 the state.

169 ~~[(11)]~~ (10) "Tax credit" means an economic development tax credit created by Section

170 59-7-614.2 or 59-10-1107.

171 [(12)] (11) "Tax credit amount" means the amount the office lists as a tax credit on a
172 tax credit certificate for a taxable year.

173 [(13)] (12) "Tax credit certificate" means a certificate issued by the office that:

174 (a) lists the name of the business entity, local government entity, or community
175 development and renewal agency to which the office authorizes a tax credit;

176 (b) lists the business entity's, local government entity's, or community development and
177 renewal agency's taxpayer identification number;

178 (c) lists the amount of tax credit that the office authorizes the business entity, local
179 government entity, or community development and renewal agency for the taxable year; and

180 (d) may include other information as determined by the office.

181 Section 4. Section 63M-1-2404 is amended to read:

182 **63M-1-2404. Creation of economic development zones -- Tax credits --**

183 **Assignment of tax credit.**

184 (1) The office, with advice from the board, may create an economic development zone
185 in the state [~~that satisfies all of~~] if the following requirements are satisfied:

186 (a) the area is zoned commercial, industrial, manufacturing, business park, research
187 park, or other appropriate business related use in a community-approved master plan;

188 (b) the request to create a development zone has [~~been forwarded to the office after~~]
189 first [~~being~~] been approved by an appropriate local government entity; and

190 (c) local incentives have been [~~committed~~] or will be committed to be provided within
191 the area.

192 (2) (a) [~~By following the procedures and requirements of~~] In accordance with Title
193 63G, Chapter 3, Utah Administrative Rulemaking Act, the office shall make rules establishing
194 the [~~conditions that~~] requirements for a business entity or local government entity [~~shall meet~~]
195 to qualify for a tax credit for a new commercial project in a development zone under this part.

196 (b) The office shall ensure that the [~~conditions~~] requirements described in Subsection
197 (2)(a) include the following [~~requirements~~]:

- 198 (i) the new commercial project ~~[must be]~~ is within the development zone;
- 199 (ii) the new commercial project includes direct investment within the geographic
200 boundaries of the development zone;
- 201 (iii) the new commercial project brings new incremental jobs to Utah;
- 202 ~~[(iv) the new commercial project includes significant capital investment, the creation of
203 high paying jobs, or significant purchases from Utah vendors and providers, or any
204 combination of these three economic factors;]~~
- 205 (iv) the new commercial project includes the creation of high paying jobs in the state,
206 significant capital investment in the state, or significant purchases from vendors and providers
207 in the state, or a combination of these three economic factors;
- 208 (v) the new commercial project generates new state revenues; and
- 209 (vi) ~~[(A)]~~ a business entity ~~[or]~~, a local government entity [qualifying for the tax
210 credit], or a community development and renewal agency to which a local government entity
211 assigns a tax credit under this section meets the requirements of Section 63M-1-2405 ~~[, or].~~
- 212 ~~[(B) a community development and renewal agency to which a local government entity
213 assigns a tax credit under this section meets the requirements of Section 63M-1-2405.]~~
- 214 (3) (a) ~~[Subject to the other provisions of this Subsection (3), the office, with advice
215 from]~~ The office, after consultation with the board, may enter into [an] a written agreement
216 with a business entity or local government entity authorizing a tax credit to the business entity
217 or local government entity if the business entity or local government entity meets the [standards
218 established under Subsection (2)] requirements described in this section.
- 219 (b) (i) With respect to ~~[one]~~ a new commercial project, the office may authorize a tax
220 credit to a business entity or a local government entity, but not both.
- 221 (ii) In determining whether to authorize a tax credit with respect to ~~[one]~~ a new
222 commercial project to a business entity or a local government entity, the office shall authorize
223 the tax credit in a manner that the office determines will result in providing the most effective
224 incentive for the new commercial project.
- 225 (c) (i) ~~[The]~~ Except as provided in Subsection (3)(c)(ii), the office may not authorize or

226 commit to authorize a tax credit ~~[if that tax credit]~~ that exceeds:

227 (A) 50% of the new state revenues from the new commercial project in any given year;
228 or

229 (B) 30% of the new state revenues from the new commercial project over the lesser of
230 the life of a new commercial project or 20 years~~[, whichever is less]~~.

231 ~~[(ii) Notwithstanding Subsection (3)(c)(i), the office may authorize or commit to~~
232 ~~authorize a tax credit not exceeding 60% of new state revenues from the new commercial~~
233 ~~project in any given year, if the eligible business entity creates a significant number of high~~
234 ~~paying jobs and makes capital expenditures in the state of at least \$1,000,000,000.]~~

235 (ii) If the eligible business entity makes capital expenditures in the state of
236 \$1,500,000,000 or more associated with a new commercial project, the office may:

237 (A) authorize or commit to authorize a tax credit not exceeding 60% of new state
238 revenues over the lesser of the life of the project or 20 years, if the other requirements of this
239 part are met;

240 (B) establish the year that state revenues and incremental jobs baseline data are
241 measured for purposes of an incentive under this Subsection (3)(c)(ii); and

242 (C) offer an incentive under this Subsection (3)(c)(ii) or modify an existing incentive
243 previously granted under Subsection (3)(c)(i) that is based on the baseline measurements
244 described in Subsection (3)(c)(ii)(B), except that the incentive may not authorize or commit to
245 authorize a tax credit of more than 60% of new state revenues in any one year.

246 (d) (i) A local government entity may by resolution assign a tax credit ~~[that]~~ authorized
247 by the office ~~[authorizes to the local government entity]~~ to a community development and
248 renewal agency.

249 (ii) The local government entity shall provide a copy of the resolution described in
250 Subsection (3)(d)(i) to the office.

251 (iii) If a local government entity assigns a tax credit to a community development and
252 renewal agency~~[-(A)]~~, the written agreement described in ~~[this section]~~ Subsection (3)(a) shall:

253 ~~[(f)]~~ (A) be ~~[among]~~ between the office, the local government entity, and the

254 community development and renewal agency; ~~and~~

255 ~~[(H)]~~ (B) establish~~[-(Aa)]~~ the obligations of the local government entity and the
256 community development and renewal agency; and

257 ~~[(Bb)]~~ (C) establish the extent to which any of the local government entity's obligations
258 are transferred to the community development and renewal agency~~[-]~~.

259 (iv) If a local government entity assigns a tax credit to a community development and
260 renewal agency:

261 ~~[(B)]~~ (A) the community development and renewal agency shall retain records as
262 described in Subsection (4)(d); and

263 ~~[(C)]~~ (B) a tax credit certificate issued in accordance with Section 63M-1-2406 shall
264 list the community development and renewal agency as the ~~[name of the]~~ named applicant.

265 (4) ~~[Subject to Subsection (3), the]~~ The office shall ensure that the written agreement
266 described in Subsection (3):

267 (a) ~~[details]~~ specifies the requirements that the business entity or local government
268 entity shall meet to qualify for a tax credit under this part;

269 (b) specifies the maximum amount of tax credit that the business entity or local
270 government entity may be authorized for a taxable year and over the life of the new commercial
271 project;

272 (c) establishes the length of time the business entity or local government entity may
273 claim a tax credit;

274 (d) requires the business entity or local government entity to retain records supporting a
275 claim for a tax credit for at least four years after the business entity or local government entity
276 claims a tax credit under this part; and

277 (e) requires the business entity or local government entity to submit to audits for
278 verification of the tax credit claimed.

279 Section 5. Section 63M-1-2405 is amended to read:

280 **63M-1-2405. Qualifications for tax credit -- Procedure.**

281 (1) The office shall certify a business entity's or local government entity's eligibility for

282 a tax credit as provided in this ~~[section]~~ part.

283 (2) A business entity or local government entity seeking to receive a tax credit as
284 provided in this part shall provide the office with:

285 (a) an application for a tax credit certificate, including a certification, by an officer of
286 the business entity, of any signature on the application;

287 (b) (i) for a business entity, documentation of the new state revenues from the business
288 entity's new commercial project that were paid during the preceding calendar year; or

289 (ii) for a local government entity, documentation of the new state revenues from the
290 new commercial project within the area of the local government entity that were paid during
291 the preceding calendar year;

292 (c) known or expected detriments to the state or existing businesses in the state;

293 (d) if a local government entity seeks to assign the tax credit to a community
294 development and renewal agency ~~[in accordance with]~~ as described in Section [63M-1-2404](#), a
295 statement providing the name and taxpayer identification number of the community
296 development and renewal agency to which the local government entity seeks to assign the tax
297 credit;

298 (e) (i) with respect to a business entity, a document that expressly directs and
299 authorizes the State Tax Commission to disclose to the office the business entity's returns and
300 other information that would otherwise be subject to confidentiality under Section [59-1-403](#) or
301 Section 6103, Internal Revenue Code~~[-, to the office]~~;

302 (ii) with respect to a local government entity that seeks to claim the tax credit:

303 (A) a document that expressly directs and authorizes the State Tax Commission to
304 disclose to the office the local government entity's returns and other information that would
305 otherwise be subject to confidentiality under Section [59-1-403](#) or Section 6103, Internal
306 Revenue Code~~[-, to the office]~~; and

307 (B) if the new state revenues collected as a result of a new commercial project are
308 attributable in whole or in part to a new or expanded industrial, manufacturing, distribution, or
309 business service within a new commercial project within the area of the local government

310 entity, a document signed by an authorized representative of the new or expanded industrial,
311 manufacturing, distribution, or business service that:

312 (I) expressly directs and authorizes the State Tax Commission to disclose to the office
313 the returns of [~~that~~] the new or expanded industrial, manufacturing, distribution, or business
314 service and other information that would otherwise be subject to confidentiality under Section
315 59-1-403 or Section 6103, Internal Revenue Code[~~, to the office~~]; and

316 (II) lists the taxpayer identification number of [~~that~~] the new or expanded industrial,
317 manufacturing, distribution, or business service; or

318 (iii) with respect to a local government entity that seeks to assign the tax credit to a
319 community development and renewal agency:

320 (A) a document signed by the members of the governing body of the community
321 development and renewal agency that expressly directs and authorizes the State Tax
322 Commission to disclose to the office the returns of the community development and renewal
323 agency and other information that would otherwise be subject to confidentiality under Section
324 59-1-403 or Section 6103, Internal Revenue Code[~~, to the office~~]; and

325 (B) if the new state revenues collected as a result of a new commercial project are
326 attributable in whole or in part to a new or expanded industrial, manufacturing, distribution, or
327 business service within a new commercial project within the community development and
328 renewal agency, a document signed by an authorized representative of the new or expanded
329 industrial, manufacturing, distribution, or business service that:

330 (I) expressly directs and authorizes the State Tax Commission to disclose to the office
331 the returns of [~~that~~] the new or expanded industrial, manufacturing, distribution, or business
332 service and other information that would otherwise be subject to confidentiality under Section
333 59-1-403 or Section 6103, Internal Revenue Code[~~, to the office~~]; and

334 (II) lists the taxpayer identification number of [~~that~~] the new or expanded industrial,
335 manufacturing, distribution, or business service; and

336 (f) for a business entity only, documentation that the business entity has satisfied the
337 performance benchmarks outlined in the written agreement described in Subsection

338 63M-1-2404(3)(a), including:

339 (i) the creation of new incremental jobs that are also high paying jobs;

340 [~~(i)~~] (ii) significant capital investment;

341 [~~(ii) the creation of high paying jobs;~~]

342 (iii) significant purchases from Utah vendors and providers; or

343 (iv) [any] a combination of [Subsections (2)(f)(i), (ii), and (iii)] these benchmarks.

344 (3) (a) The office shall submit the documents described in Subsection (2)(e) to the
345 State Tax Commission.

346 (b) Upon receipt of a document described in Subsection (2)(e), the State Tax
347 Commission shall provide the office with the returns and other information requested by the
348 office that the State Tax Commission is directed or authorized to provide to the office in
349 accordance with Subsection (2)(e).

350 (4) If, after review of the returns and other information provided by the State Tax
351 Commission, or after review of the ongoing performance of the business entity or local
352 government entity, the office determines that the returns and other information are inadequate
353 to provide a reasonable justification for authorizing or continuing a tax credit, the office shall:

354 (a) (i) deny the tax credit; or

355 (ii) terminate the agreement described in Subsection 63M-1-2404(3)(a) for failure to
356 meet the performance standards established in the agreement; or

357 (b) inform the business entity or local government entity that the returns or other
358 information were inadequate and ask the business entity or local government entity to submit
359 new documentation.

360 (5) If after review of the returns and other information provided by the State Tax
361 Commission, the office determines that the returns and other information provided by the
362 business entity or local government entity provide reasonable justification for authorizing a tax
363 credit, the office shall, based upon the returns and other information:

364 (a) determine the amount of the tax credit to be granted to the business entity, local
365 government entity, or if the local government entity assigns the tax credit [~~in accordance with]~~

366 as described in Section 63M-1-2404, to the community development and renewal agency to
367 which the local government entity assigns the tax credit;

368 (b) issue a tax credit certificate to the business entity, local government entity, or if the
369 local government entity assigns the tax credit [~~in accordance with~~] as described in Section
370 63M-1-2404, to the community development and renewal agency to which the local
371 government entity assigns the tax credit; and

372 (c) provide a duplicate copy of the tax credit certificate to the State Tax Commission.

373 (6) A business entity, local government entity, or community development and renewal
374 agency may not claim a tax credit unless the business entity, local government entity, or
375 community development and renewal agency has a tax credit certificate issued by the office.

376 (7) (a) A business entity, local government entity, or community development and
377 renewal agency may claim a tax credit in the amount listed on the tax credit certificate on its
378 tax return.

379 (b) A business entity, local government entity, or community development and renewal
380 agency that claims a tax credit under this section shall retain the tax credit certificate in
381 accordance with Section 59-7-614.2 or 59-10-1107.

382 Section 6. Section 63M-1-2406 is amended to read:

383 **63M-1-2406. Reports -- Posting monthly and annual reports -- Audit and study of**
384 **tax credits.**

385 (1) The office shall include the following information in the annual written report
386 described in Section 63M-1-206:

387 (a) the office's success in attracting new commercial projects to development zones
388 under this part and the corresponding increase in new incremental jobs;

389 (b) how many new incremental jobs and high paying jobs are employees of a company
390 that received tax credits under this part, including the number of employees who work for a
391 third-party rather than directly for a company, receiving the tax credits under this part;

392 [~~(b)~~] (c) the estimated amount of tax credit commitments made by the office and the
393 period of time over which tax credits will be paid;

394 ~~[(e)]~~ (d) the economic impact on the state ~~[related to generating]~~ from new state
395 revenues and ~~[providing]~~ the provision of tax credits under this part;

396 ~~[(d)]~~ (e) the estimated costs and economic benefits of the tax credit commitments ~~[that]~~
397 made by the office ~~[made]~~;

398 ~~[(e)]~~ (f) the actual costs and economic benefits of the tax credit commitments ~~[that]~~
399 made by the office ~~[made]~~; and

400 ~~[(f)]~~ (g) tax credit commitments ~~[that]~~ made by the office ~~[made]~~, with the associated
401 calculation.

402 (2) ~~[The]~~ Each month, the office shall ~~[monthly]~~ post on its website and on a state
403 website:

404 (a) the new tax credit commitments ~~[that]~~ made by the office ~~[made]~~ during the
405 previous month; and

406 (b) the estimated costs and economic benefits of those tax credit commitments.

407 (3) (a) On or before November 1, 2014, and every ~~[five]~~ three years after November 1,
408 2014, the office shall:

409 (i) conduct an audit of the tax credits allowed under Section [63M-1-2405](#);

410 (ii) study the tax credits allowed under Section [63M-1-2405](#); and

411 (iii) make recommendations concerning whether the tax credits should be continued,
412 modified, or repealed.

413 (b) ~~[An]~~ The audit ~~[under Subsection (3)(a)(i)]~~ shall include an evaluation of:

414 (i) the cost of the tax credits;

415 (ii) the purposes and effectiveness of the tax credits; ~~[and]~~

416 (iii) the extent to which the state benefits from the tax credits~~[-]~~; and

417 (iv) the state's return on investment under this part measured by new state revenues,
418 compared with the costs of tax credits provided and GOED's expenses in administering this
419 part.

420 Section 7. Section **63M-1-2407** is amended to read:

421 **63M-1-2407. Reports of new state revenues, partial rebates, and tax credits.**

422 (1) Before [~~December~~] October 1 of each year, the office shall submit a report to the
423 Governor's Office of Management and Budget, the Office of Legislative Fiscal Analyst, and the
424 Division of Finance identifying:

425 (a) (i) the total estimated amount of new state revenues created from new commercial
426 projects in [~~the~~] development zones; [~~and~~]

427 (ii) the estimated amount of new state revenues from new commercial projects in [~~the~~]
428 development zones that will be generated from:

429 (A) sales tax;

430 (B) income tax; and

431 (C) corporate franchise and income tax;

432 (b) (i) the total estimated amount of partial rebates as defined in Section [63M-1-2408](#)
433 that the office projects will be required to be paid in the next fiscal year; and

434 (ii) the estimated amount of partial rebates as defined in Section [63M-1-2408](#) that are
435 attributable to:

436 (A) sales tax;

437 (B) income tax; and

438 (C) corporate franchise and income tax; and

439 (iii) the minimum number of new incremental jobs and high paying jobs that will be
440 created before any tax credit is awarded; and

441 (c) the total estimated amount of tax credits that the office projects that business
442 entities, local government entities, or community development and renewal agencies will
443 qualify to claim under this part.

444 (2) By the first business day of each month, the office shall submit a report to the
445 Governor's Office of Management and Budget, the Office of Legislative Fiscal Analyst, and the
446 Division of Finance identifying:

447 (a) each new agreement entered into by the office since the last report;

448 (b) the estimated amount of new state revenues that will be generated under each
449 agreement; [~~and~~]

450 (c) the estimated maximum amount of tax credits that a business entity, local
451 government entity, or community development and renewal agency could qualify for under
452 each agreement[-]; and

453 (d) the minimum number of new incremental jobs and high paying jobs that will be
454 created before any tax credit is awarded.

455 (3) At the reasonable request of the Governor's Office of Management and Budget, the
456 Office of Legislative Fiscal Analyst, or the Division of Finance, the office shall provide
457 additional information about the tax credit, new incremental jobs and high paying jobs, costs,
458 and economic benefits related to this part, if the information is part of a public record as
459 defined in Section [63G-2-103](#).

460 Section 8. **Repealer.**

461 This bill repeals:

462 Section [63M-1-2408](#), **Transition clause -- Renegotiation of agreements -- Payment**
463 **of partial rebates.**

464 Section 9. **Effective date.**

465 This bill takes effect on September 1, 2015.

466 Section 10. **Coordinating S.B. 179 with S.B. 18 -- Substantive and technical**
467 **amendments.**

468 If this S.B. 179 and S.B. 18, Governor's Office of Economic Development Revisions,
469 both pass and become law, it is the intent of the Legislature that the amendments to Section
470 [63M-1-2403](#) in this bill supersede the amendments to the newly renumbered Section
471 [63N-2-103](#) in S.B. 18 when the Office of Legislative Research and General Counsel prepares
472 the Utah Code database for publication.