






Effective January 1, 2002



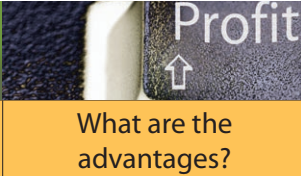


For additional information on Florida's Enterprise Zone programs contact your local Enterprise Zone coordinator or:


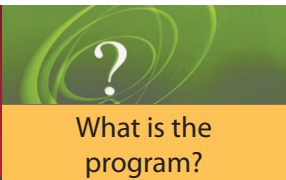



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|  |  What is the program? |  What are the advantages? |  What are the limitations? |  How do I receive the credit? |
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| <p>ENTERPRISE ZONE JOBS TAX CREDIT (Corporate Income Tax) §220.181, Florida Statutes</p> | <p>Allows businesses located in an enterprise zone who pay corporate income tax a corporate income tax credit for the wages paid to new employees (in a new full-time job) who have been employed by the business for at least 3 months and are residents of a Florida enterprise zone (or are Welfare Transition Program participants or "Rural County" for businesses located within a "Rural Enterprise Zone").</p> | <p>This incentive provides a credit of 20% of wages paid to new eligible employees who are residents of a Florida enterprise zone. If 20% or more of the permanent, full-time employees are residents of a Florida enterprise zone, the credit is 30%.</p> <p>"Rural Enterprise Zones"</p> <p>Businesses located within a "Rural EZ" will receive a credit of 30% paid to new eligible employees who are residents of a "Rural County". If 20% or more of the permanent, fulltime employees are residents of a Florida enterprise zone, the credit is 45%.</p> <p>A five-year carry-forward provision is available for unused portions of past credits.</p> | <p>Firms must earn more than \$5,000 to take advantage of the credit.</p> <p>The Federal tax burden may increase since state tax liability is reduced. The amount of the credit also must be added back to Florida taxable income.</p> <p>This credit is not available if the Enterprise Zone Tax Credit, against sales tax, is taken.</p> | <p>Form F-1157Z, which requires a list of names and addresses of eligible employees, must be certified by an Enterprise Zone Coordinator and submitted with the business' corporate income tax return.</p> |

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| <p>ENTERPRISE ZONE JOBS TAX CREDIT (Sales & Use Tax) §212.096, Florida Statutes</p> | <p>Allows businesses located in a Florida enterprise zone, who collect and pay Florida sales and use tax, a monthly credit against their tax due on wages paid to new employees in a new fulltime job who have been employed by the business for at least 3 months and are residents of a Florida enterprise zone or are Welfare Transition Program participants or "Rural County" for businesses located within a "Rural Enterprise Zone".</p> | <p>This incentive provides a credit of 20% of wages paid to new eligible employees who are residents of a Florida enterprise zone. If 20% or more of the permanent, full-time employees are residents of a Florida enterprise zone, the credit is 30%.</p> <p>Businesses located within a "Rural EZ" will receive a credit of 30% paid to new eligible employees who are residents of a "Rural County". If 20% or more of the permanent, full-time employees are residents of a Florida enterprise zone, the credit is 45%.</p> | <p>The credit is limited to the amount of tax due on each return. There is no refund or carry-forward for credit in excess of the tax due.</p> <p>This credit is not available if the Enterprise Zone Jobs Tax Credit, against corporate tax, is taken.</p> <p>The credit is limited to 24 months if the employee remains employed for 24 months.</p> | <p>Form DR-15ZC must be submitted to an Enterprise Zone Coordinator and DOR within 6 months after the new employee is hired.</p> <p>Within 10 working days of receiving a completed tax credit application, DOR will notify the business that the application has been approved.</p> |
| <p>SALES TAX REFUND FOR BUSINESS MACHINERY & EQUIPMENT USED IN AN ENTERPRISE ZONE §212.08(5)(h), Florida Statutes</p> | <p>A refund is available for sales taxes paid on the purchase of certain business property, (e.g. tangible personal property such as office equipment, warehouse equipment, and some industrial machinery and equipment), which is used exclusively in an enterprise zone for at least three years.</p> | <p>This incentive reduces the cost of purchasing new and used qualified tangible personal property that is used in an enterprise zone.</p> | <p>Business equipment must have a sales price of at least \$5,000 per unit.</p> <p>The maximum refund per application will be no more than \$5,000 or 97% of the tax paid. If 20% or more of the permanent, full-time employees of the business are residents of a Florida enterprise zone, the refund will be no more than the lesser of \$10,000 or 97% of the tax paid.</p> | <p>Form DR-26S and Form EZ-E must be certified by an Enterprise Zone Coordinator for the enterprise zone in which the business is located, and must be filed with the Department of Revenue within 6 months of when the business equipment is purchased or when the tax due.</p> |



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| <p>SALES TAX REFUND FOR BUILDING MATERIALS USED IN AN ENTERPRISE ZONE §212.08(5)(g), Florida Statutes</p> | <p>A refund is available for sales taxes paid on the purchase of building materials used to rehabilitate real property located in an enterprise zone</p> | <p>This incentive reduces the cost of rehabilitating real property that is located in an enterprise zone.</p> | <p>The total amount of the sales tax refund must be at least \$500, but no more than the lesser of \$5,000 or 97% of the tax paid per parcel of property. If 20% or more of the permanent, full-time employees of the business are residents of a Florida enterprise zone the refund will be no more than the lesser of \$10,000 or 97% of the tax paid per parcel. The refund of sales taxes paid is available only one time per parcel of real property unless there is a change in ownership, a new lessor, or a new lessee of the real property who makes subsequent improvements to the property that would qualify for the refund.</p> | <p>Form DR-26S and Form EZ-M certified by an Enterprise Zone Coordinator must be filed with the Department of Revenue within 6 months of when the improvements are certified as being substantially complete or within 90 days after the property is first subject to assessment.</p> |
| <p>SALES TAX EXEMPTION FOR ELECTRICAL ENERGY USED IN AN ENTERPRISE ZONE §212.08(15), Florida Statutes</p> | <p>A 50% sales tax exemption is available to qualified businesses located in an enterprise zone on the purchase of electrical energy. If 20% or more of the permanent, full-time employees are residents of a Florida enterprise zone, the exemption is 100% of sales tax.</p> | <p>The 50% or 100% exemption of state sales tax on utilities and the 50% abatement of municipal utility tax is available for up to five years.</p> | <p>The tax exemption is limited to municipalities that have passed an ordinance to reduce the municipal utility tax for enterprise zone businesses.</p> | <p>Form DR-15JEZ must be filed with an application certified by an Enterprise Zone Coordinator for the zone in which the business is located.</p> |

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| <p>ENTERPRISE ZONE PROPERTY TAX CREDIT (Corporate Income Tax) §212.08(5)(q) and 220.182, Florida Statutes</p> | <p>New or expanded businesses located in an enterprise zone are allowed a credit on Florida corporate income tax equal to 96% of ad valorem taxes paid on the new or improved property (the assessment rate varies by county).</p> | <p>Any unused portion of the credit may be carried forward for five years.</p> <p>The credit can be claimed for five years, up to a maximum of \$50,000 annually, if 20% or more employees are enterprise zone residents; otherwise the credit is limited to \$25,000 annually.</p> | <p>Firms must earn more than \$5,000 to take advantage of the credit.</p> <p>The Federal tax burden may increase, since state tax liability is reduced. The amount of the credit must also be added back to Florida taxable income.</p> | <p>Businesses must file Form DR-456 with the county property appraiser before April 1 of the first year in which the new or expanded property is subject to assessment. An Enterprise Zone Coordinator will certify Form F-1158Z and provide copies to the Department of Revenue. Firms must include copies of receipts for applicable ad valorem taxes paid with tax returns and Form F-1158Z</p> |
| <p>COMMUNITY CONTRIBUTION TAX CREDIT §220.183, Florida Statutes</p> | <p>Allows businesses anywhere in Florida a 50% credit on Florida corporate income tax, insurance premium tax, or sales tax refund for donations to local community development projects. Donations must be made to an eligible sponsor conducting an approved community development project. The annual amount of credit granted is limited to \$200,000 per firm and \$10,000,000 for the state.</p> | <p>For each dollar donated, businesses may receive a 55.5-cent reduction in Florida tax liability (50 cents from the credit, 5.5 cents from the deductibility of the donation). The donation may also be deducted from Federal taxable income.</p> <p>A five-year carry-forward provision is available for any unused portion of the corporate income tax credit (sales tax refunds are available for up to three years after the first application).</p> | <p>IRS rules for the valuation of donated goods may require depreciation recapture; therefore, the deduction may be decreased.</p> <p>By reducing the state tax liability, state taxes deducted from federal income are decreased; therefore, the federal tax burden may increase.</p> | <p>The project sponsor submits a proposal to OTTED for approval and solicits donations from businesses. Businesses file form 8E-17TCA#01 to OTTED.</p> <p>Once the donation has been approved, a copy of the approval letter must be submitted with the state tax return or application for a sales tax refund. Project proposals must be recertified on an annual basis.</p> |