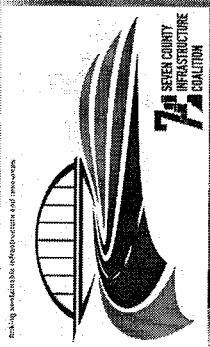


INCENTIVES

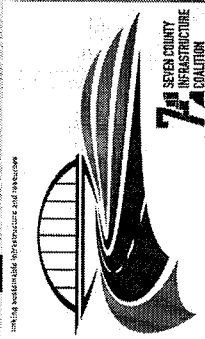
BY: MIKE MCKEE AND TAMI URSENBACH



Current Utah Business Incentives

- Economic Development Tax Increment Finance Tax Credits
- High Cost Infrastructure Tax Credit
- Alternative Energy Development Incentive
- Additional Smaller Incentives

Economic Development Tax Increment Finance Tax Credit

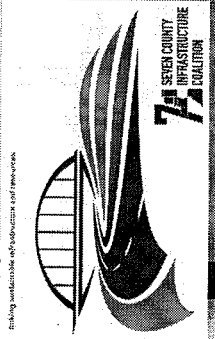


The EDTIF tax credit is a post-performance, refundable tax credit rebates for up to 30% of new state revenues (sales, corporate and withholding taxes paid to the state) over the life of the project (typically 5-10 years). It is available to companies seeking relocation and expansion of operations to the State of Utah.

- Policy: Maximum credit of up to 30% over the life of the project. No more than 50% credit in any one year,
- The life of the incentive is typically 5 – 10 years.
- New jobs created must pay at least 110% of the county average wages.
- New project must be in competition with other locations

Requirements:

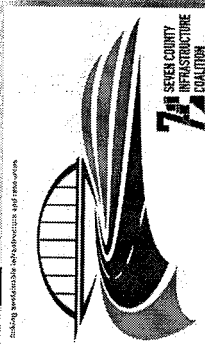
- Obtain commitment from local government to provide local incentives and establish and be in a Community Reinvestment Zone
- Enter into an incentive agreement with the Governor's Office of Economic Development which specifies performance milestones.
- Create new high-paying jobs in the state At least 50 jobs in urban counties or 30 jobs in rural.
- New jobs created must pay at least 110% of county average wage.
- Significant capital investment and generate new tax revenues.
- Significant purchases from Utah vendors or suppliers.



High Cost Infrastructure Tax Credit

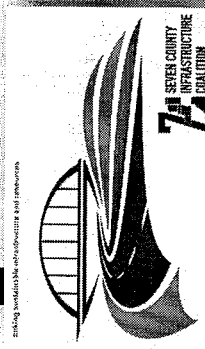
The High Cost Infrastructure Tax Credit (HCITC) is an incentive that supports investments in qualifying cost-intensive infrastructure projects. The purpose of the program is to promote the business expansion and natural resource development that is critical to advancing Utah's economy. HCIFC is 30% of state revenue generated during a qualifying tax period. The total tax credit will be 50% of the cost of the infrastructure investment.

- Expand or create new industrial, mining, manufacturing, or agricultural activity
- Are comprised of at least 10 percent (or \$10,000,000) of infrastructure costs
- Generate new state revenues that are directly attributable to new infrastructure investment
- Qualifying investments in infrastructure may include:
 - *Energy delivery systems*
 - *Water delivery systems*
 - *Road improve*
 - *Railroads*



Alternative Energy Development Incentive

- The Alternative Energy Development Incentive (AEDI) is a fixed post-performance credit of 75% of all newly generated state revenues for 20 years. Eligible projects include the construction of electricity generation facilities of 2 megawatts or greater that utilize:
 - hydroelectric, solar, biomass, geothermal, wind, and waste-heat
- It also includes energy derived from the following non-renewable energy sources:
 - nuclear fuel, oil-impregnated diatomaceous earth, oil sands, oil shale or petroleum coke
- To qualify for AEDI, the project must generate new state revenue and new incremental jobs, and it must involve significant capital investment, or the creation of high paying jobs.



Additional Incentives

State Incentives

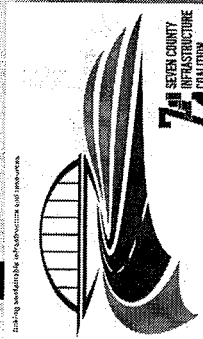
- Enterprise Zone
- Recycle Zone
- Custom Fit/Short-Term Intensive Training
- Private Activity Bond

County Incentive Tools

- Community Redevelopment Area
- Lower or waive permitting and impact fees

Local Companies

- Rural Fast Track Grant

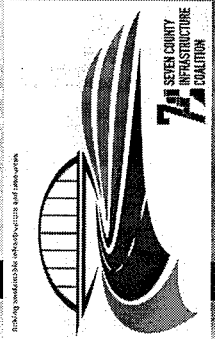


Proposed Incentives

Rural Workforce Incentive

Post-performance incentive with state and county buy-in. Employers receive money for each newly created job and employee after achieving each milestone.

Total Awarded Incentive	\$1,500	\$2,000
After employee works 2 consecutive months	\$ 250	\$ 300
After employee works 6 consecutive months	\$ 500	\$ 500
After employee works 12 consecutive months	\$ 750	\$1,200



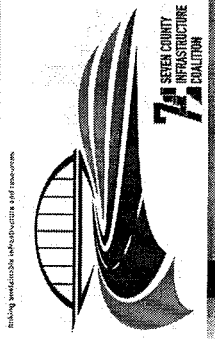
Current Utah Business Incentives

Instead of giving incentives and additional support from State by unemployment; give incentives as per sales tax collected.

County/city incentives could be tiered 1 -3 (5) with sales tax

Tier 1 highest paying taxes

Tier 3 (5) lowest paying taxes



Questions?

Thank You for Your Time

*Presentation by: Accelerant BPS
Joel Smith & Dean Lundberg*