

Enterprise Zone



This packet contains a brief description of the State of Florida's Enterprise Zone Program and the tax incentives available to businesses and property owners located within Lakeland's Enterprise Zone. Applications can be obtained and printed at www.floridaenterprisezone.com.

For more information contact:

**City of Lakeland
Community Development Department
228 S. Massachusetts Avenue
Lakeland, FL 33801
(863) 834-6011
jason.willey@lakelandgov.net**

City of Lakeland Enterprise Zone – EZ-5301

What is an Enterprise Zone?

An Enterprise Zone, designated by the state of Florida, is a specific geographic area targeted for economic revitalization. Enterprise Zones encourage economic growth and investment to businesses and property owners by offering tax advantages and incentives to encourage private investment and employment opportunities for the residents of the zone.

What Benefits are offered in the Enterprise Zone?

Tax savings are offered to businesses and property owners that are located in the Enterprise Zone if they are employing zone residents, rehabilitant real property, or purchasing new business equipment. Companies can receive credits on their state sales tax, corporate income tax and property tax.

Eligible Businesses

- Tax incentives are offered to all types of businesses that are located within a designated Enterprise Zone who employ zone residents, rehabilitate real property or purchase business equipment to be used in the zone.
- Tax credits are available to businesses that pay either the Florida Corporate Income Tax or the Florida Sales and Use Tax.
- Sales Tax refunds and sale tax exemptions are available for eligible purchases.

Program Administration

The Governor's Office of Tourism, Trade, and Economic Development (OTTED) administers the Florida Enterprise Zone Program. OTTED is responsible for overseeing the activities of the local enterprise zones and providing them with technical assistance and information. OTTED receives progress reports from local enterprise zones as well as reports from the Florida Department of Revenue and prepares an Annual Report to the Governor and the Florida Legislature.

At the local level an enterprise zone is governed by an Enterprise Zone Development Agency (EZDA). This agency oversees the implementation of the strategic plan and makes important decisions concerning the zone. The EZDA also appoints a local enterprise zone coordinator that maintains the day-to-day operations of the zone. This key contact for the zone answers questions and distributes materials to businesses, OTTED, and the local government. All tax incentive applications must be certified at a local office before the applications are sent to the Florida Department of Revenue to be processed.

The Florida Department of Revenue is responsible for processing all enterprise zone tax incentive applications. Representatives from the Department of Revenue provide technical

assistance on the eligibility requirements to businesses and to local enterprise zone coordinators.

Where is the Enterprise Zone?

Lakeland's Enterprise Zone is generally located north of Ariana Street and Orange Street, south of I-4, west of Lake Parker and east of the current city limits. The boundaries of the Enterprise zone are determined by Census Block Group Data. Lakeland's Enterprise Zone is made up of one contiguous geographic area which encompasses approximately 7.38 square miles and has a population of 21,227 residents. A map of Lakeland's Enterprise Zone is provided on the following page.

How to apply?

The Florida Enterprise Zone Act of 1994 was created to provide the necessary means to assist local communities, their residents, and the private sector in creating the proper economic and social environment to include the investment of private resources in productive business enterprises located in severely distressed areas and to provide jobs for residents of such areas. Lakeland's Enterprise Zone designation became effective on January 1, 2006. This designation is effective for ten years, expiring on December 31, 2015.

Application for Enterprise Zone incentives must be certified by Lakeland's Enterprise Zone Coordinator located in the City's Community Development Department.

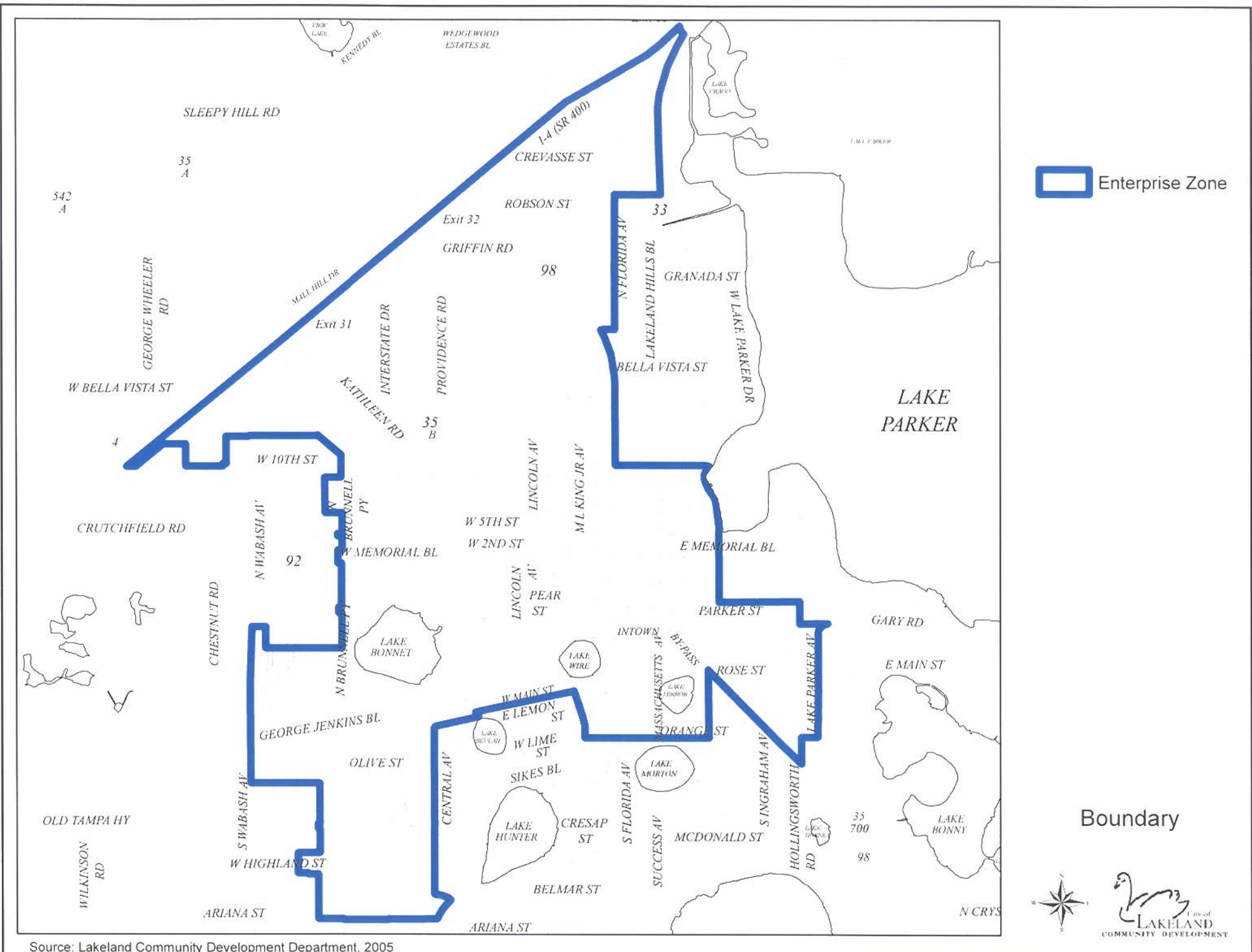
To print copies of Enterprise Zone application forms visit www.floridaenterprisezone.com.

For assistance or additional information about this program contact:

City of Lakeland Community Development Department
228 S. Massachusetts Avenue
Lakeland, FL 33801
Phone: (863) 834-6011 Fax: (863) 834-8432
E-mail: jason.willey@lakelandgov.net

OR

Executive Office of the Governor
Office of Tourism, Trade and Economic Development
The Capital; Suite 2001
Tallahassee, FL 32399-0001
Phone: (850) 487-2568 Fax: (850) 487-3014



Source: Lakeland Community Development Department, 2005

 Enterprise Zone

Boundary



EFFECTIVE: 01/01/2002
JOBS TAX CREDIT
(CORPORATE INCOME TAX)

FORM F-1156Z (Certificate of Eligibility for Corporate Income Tax)
FORM F-1156ZN (General Instructions)
(s. 220.181, F.S.)

Business Eligibility: -Corporation must be located within an Enterprise Zone.
-Business must not be taking Jobs Tax Credits against sales tax.

Employee Eligibility: -Must reside and work in an enterprise zone.
- **A new job must be created before the business earns a tax credit.**
-Welfare Transition Program participants may live anywhere, but must work within a zone.
-Must work at least 36 hours per week (no part-time employees).
-Must be employed for at least 3 consecutive calendar months.
-Employees leased from an employee leasing company (Chapter 468) must be continuously leased to an employer for more than 6 months.
-Previous employees must not have been employed by the hiring business in the preceding 12 months.
-Tax credit shall be allowed for up to 24 months per new employee.
-Unused tax credit may be carried forward up to 5 years.

Number of permanent, full-time employees (Zone residents)

Divided by ↓

Total number of permanent, full-time employees

-If this percentage is less than 20% the tax credit will be 20% of monthly wages paid to new employee

-If this percentage is 20% or more the tax credit will be 30% of monthly wages paid to new employee.

Processing Time: -EZDA has 10 business days to process and certify Form F-1156Z.

Copies: -F-1156Z (when approved by EZDA Coordinator) is given to business who will attach original to Form F-1120 when submitting their corporate return.
-EZDA mails one copy to Department of Revenue (see address below).
-One copy for EZDA files.

Mailing Instructions: EZDA mails a copy of Form F-1156Z to:
Florida Department of Revenue
Return Reconciliation
5050 West Tennessee Street
Tallahassee, FL 32399-0100

Questions? Tax Information Services: 850/488-6800

EFFECTIVE: 01/01/2002
JOBS TAX CREDIT (SALES TAX)

FORM DR-15ZC (N. 01/02)

(Florida Enterprise Zone Jobs Credit Certificate of Eligibility for Sales Tax)
(s. 212.096, F.S.)

- Business Eligibility: -Must be located within an Enterprise Zone.
-Must collect and remit sales and use tax.
-Must not be taking E.Z. Jobs Tax Credit against corporate income tax.
- Employee Eligibility: -Must reside and work in an Enterprise Zone.
-**A new job must be created before the business earns a tax credit.**
-Welfare Transition Program Participants may live anywhere, but must work within a zone.
-Must work an average of at least 36 hours a week (**no part-time employees**).
-Must be employed for at least three consecutive months.
-New employee cannot be an Owner, Partner, or Stockholder.
-Employees leased from an employee leasing company (Chapter 468) must be continuously leased to an employer for more than 6 months.
-Previous employees must not have been employed by the hiring business in the preceding 12 months.
-Tax credit shall be allowed for up to 24 months per new employee.
-Tax credit amount cannot be more than amount of sales tax owed.
- Number of permanent, full-time employees (Zone residents)**
Divided by ↓
Total number of permanent, full-time employees
- If this percentage is less than 20% the tax credit will be 20% of monthly wages paid to new employee.
-If this percentage is 20% or more the tax credit will be 30% of monthly wages paid to new employee.
- Processing Time: -**Form must be filed with the DOR within six months of hire date (within 7 months after the employee is leased for leased employees).**
-Failure to file on time will result in credit being disallowed.
-EZDA has 10 business days to process and certify the form.
-Form DR-15CS (Sales and Use Tax Return) must be submitted by business by the 20th of the next month (or will be considered late).
-The Department of Revenue will notify the business that the tax credit application has been approved (within 10 working days).
- Copies: -Form DR-15ZC (when approved by EZDA Coordinator) is given to business who will submit original with Form DR-15CS (Sales and Use Tax Return) to the Department of Revenue (see address below).
-EZDA mails a copy to the Department of Revenue (see address below).
-One copy for EZDA files.
- Mailing Instructions: EZDA mails a copy of form DR-15ZC to :
Florida Department of Revenue
Return Reconciliation
5050 West Tennessee Street
Tallahassee, FL 32399-0100
- Questions? Tax Information Services: 850/488-6800

EFFECTIVE: 01/01/2002

PROPERTY TAX CREDIT

(Corporate Income Tax)

**Form F-1158Z (Enterprise Zone Property Tax Credit)
FORM DR-456 (Notice of New, Rebuilt, or Expanded Property)
(s. 220.182, F. S.)**

- Business Eligibility: -Corporation must be located within an Enterprise Zone.
 -Firms must earn more than \$5,000 to take advantage of the credit.
 -New Businesses must establish 5 or more new jobs.
 -Expanding Businesses must establish 5 or more new jobs.
 -Rebuilding businesses must have suffered damage in an "emergency".
- Tax Credit Calculation: -New businesses:
 tax credit will be based on the amount of ad valorem taxes paid.
 -Expanding businesses:
 tax credit will be based on the additional ad valorem taxes paid from
 the assessments on additional real or tangible personal property
 acquired for the expansion project.
 -Rebuilding businesses:
 tax credit will be based on the ad valorem taxes paid from the
 assessments on property replaced or restored.
- If 20% or more of the full-time employees are enterprise zone residents
 then the maximum of \$50,000 annual credit can be claimed for 5 years;
 otherwise the credit is limited to \$25,000 annually for five years.
- Any unused portion of the credit can be carried forward for 5 years.
- Filing Date: -**Form DR-456 must be filed with the property appraiser no later
 than April 1 of the year in which the real property is first subject to
 assessment.**
- Copies: -Forms DR-456 and F-1158Z (when approved by EZDA Coordinator) are
 given to the business who will attach original to Form F-1120 when
 submitting their corporate income tax return.
 -EZDA mails a copy to the Department of Revenue (see address below).
 -One copy for EZDA files.
- Mailing Instructions: -EZDA mails a copy of forms DR-456 and F-1158Z to:
 Florida Department of Revenue
 Return Reconciliation
 5050 West Tennessee Street
 Tallahassee, FL 32399-0100
- Questions? Tax Information Services: 850/488-6800

Questions?

Tax Information Services: 850/488-6800

EFFECTIVE: 01/01/2002

BUILDING MATERIALS SALES TAX REFUND

FORM EZ-M (Building Materials Sales Tax Refund Application for Eligibility)

FORM DR-26S (Florida Department of Revenue Application for Refund)

(s. 212.08 (5)(g), F. S.)

- Eligibility:
- Property being renovated must be located in an Enterprise Zone.
 - Businesses and Residents are eligible for sales tax refund.
 - Sales Tax Refund is available only one time per parcel of real estate.
 - Incentive limited to owners, lessors, lessees of the real property that is rehabilitated within an enterprise zone.
- Refund Calculation: -97% of the state sales tax (6%) paid on Building Materials.
- Minimum Refund: \$500.00 (Purchase amount = \$8,600.00)
- (Example: \$8,600.00 building materials purchased)
- $$\begin{array}{r} 8,600.00 \\ \times .06 \text{ (state sales tax)} \\ \hline 516.00 \\ 8,600.00 \\ \times .97 \\ \hline 8,084.00 \end{array}$$
- \$500.52 (amount of sales tax refund)
- Maximum Refund:
- If 20% or more of the permanent, full-time employees of the business are residents of an E.Z., the maximum refund will be no more than the lesser of \$10,000 or 97% of the state sales tax paid.
 - If less than 20% of the permanent, full-time employees of the business are residents of an E.Z., the maximum refund will be no more than the lesser of \$5,000 or 97% of the state sales tax paid.
- Processing Time:
- Forms must be filed with the Department of Revenue within six months after the improvements are certified by the building inspector as being substantially complete or within 90 days after the rehabilitated property is first subject to assessment.**
 - EZDA has 10 business days to process.
- Copies:
- Form EZ-M (when approved by EZDA Coordinator) is given to business who will submit original with Form DR-26S (with supporting documentation) to the Department of Revenue.
 - EZDA faxes one copy of Form EZ-M to the Department of Revenue (see below).
 - One copy for EZDA files.
- Faxing Instructions: -EZDA faxes a copy of Form EZ-M (Application for Eligibility) to:
- 850/410-2526 (phone: 850/488-8937).

Questions?

Tax Information Services: 850/488-6800

EFFECTIVE: 01/01/2002
BUSINESS EQUIPMENT SALES TAX REFUND

FORM EZ-E (Business Equipment Sales Tax Refund Application for Eligibility)
FORM DR-26S (Florida Department of Revenue Application for Refund)
(s. 212.08 (5)(h), F. S.)

- Business Eligibility: - Must be located in an Enterprise Zone.
 - Starting July 1, 2001, business equipment purchased must have a sales price of at least \$5,000 per unit.
 - Equipment purchased must be used exclusively in an Enterprise Zone for at least three years
 - Eligible purchase must be new or used property defined as

 “recovery property” in s. 168(c) of the Internal Revenue Code of 1954 as amended, **NOT including the following:**
 * 3-year property under s. 168(c)(2)(A) of Internal Revenue Code;
 * industrial machinery/equipment (receiving a capital equipment sales tax exemption under s. 212.08(5)(b), F. S.); and
 * building materials eligible for E.Z. sales tax refund incentive.
- Refund Calculation: - 97% of the state sales tax (6%) paid on Business Equipment.
- Minimum Refund: \$291.00 (Purchase amount: \$5,000.00)
 (Example: \$5,000.00 (business equipment purchased))
 x .06 (state sales tax)
 \$300.00
 x .97
 \$291.00 (amount of sales tax refund)
- Maximum Refund: - If 20% or more of the permanent, full-time employees of the

 business are residents of an E.Z., the maximum refund per application will be no more than the lesser of \$10,000 or 97% of the state sales tax paid.
 - If less than 20% of the permanent, full-time employees of the business are residents of an E.Z., the maximum refund per application will be no more than the lesser of \$5,000 or 97% of the state sales tax paid.
- Processing Time: - Forms must be filed with the Department of Revenue within six months after the equipment is purchased or the tax is due.

 - EZDA has 10 business days to process.
- Copies: - Form EZ-E (when approved by EZDA Coordinator) is given to business who will submit original with Form DR-26S (and supporting documentation) to the Department of Revenue.
 - EZDA faxes a copy of Form EZ-E to the Department of Revenue.
 - One copy for EZDA files.
- Faxing Instructions: EZDA faxes a copy of Form EZ-E to: 850/410-2526; (ph: 850/488-8937).