

Key Economic Incentives for Businesses Considering a Florida Location

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The State of Florida offers economic incentives to businesses that are thinking about locating—or relocating—in Florida. These incentives target corporate headquarters and [certain high growth industries](#). In addition, many Florida city and county governments offer their own companion local incentives. This article highlights some of the most commonly-applicable state incentives.

At the outset, it's important to note that your business is only potentially eligible for an incentive if you have *not yet decided* whether to locate or relocate in Florida. Incentives are meant to convince businesses to choose a location in Florida, not to reward those that have already committed to a certain location in the state.

It's also important to understand how Florida's open government laws, among [the most expansive in the United States](#), could impact you should you choose to apply for an incentive. Florida's Public Records and Sunshine law provide that certain records must be made available to the public and approvals of incentives involve a public meeting. The laws do contain some safeguards that, at least temporarily, protect materials regarding incentive applications (e.g. business plans) from becoming public. However, Florida's public records and Sunshine law are construed as broadly as possible in favor of public disclosure and exemptions, which we discuss further in [this article](#), are available only when there is strict compliance with the statute that confers them.

The Incentives

Depending on your business and situation, one or more of the following major state incentives may apply.

1. Qualified Target Industry Tax Refund (QTI)

- The QTI incentive is available for businesses that create high wage jobs in targeted industries. It includes refunds on corporate income, sales, ad valorem, intangible personal property, insurance premium, and certain other taxes.
- The applicant must create at least 10 new jobs and be preapproved by the state. The jobs created must pay an average annual wage that is at least 115 percent of the state, metropolitan statistical area (MSA) or local average wages. (We can obtain local wage charts for cities and counties throughout the state.)
- The QTI is a performance-based incentive that requires meeting hiring targets negotiated during the approval process.
- The tax refunds can be up to \$3,000 per net new Florida fulltime equivalent job created; and up to \$6,000 in an enterprise zone. Enterprise zones are specific economic development areas within most of Florida's major cities and counties. (We can obtain maps of these locations as needed.)
- Businesses that pay 150 percent of the average annual wage can be approved for an additional \$1,000 per job.
- Businesses that pay 200 percent of the average annual salary can be approved for an additional \$2,000 per job.
- Projects located in a designated Brownfield area can be approved for up to an additional \$2,500 per job.
- Twenty percent of the total tax refund award is subject to a local government match requirement.
- An aggregate cap of \$5 million of QTI approved refunds applies to any qualified applicant for all years, and no more than 25 percent of the total approved refunds may be taken in any single fiscal year.
- New or expanding businesses in selected targeted industries, or corporate headquarters are eligible.

2. Quick Action Closing Fund (QACF)

- The QACF is a discretionary grant incentive that is approved by the Florida Governor's office.
- The Governor has authority to approve up to \$2 million per project, assuming funding availability and depending on the project's scope and economic impact. Approvals above \$2 million require involvement of members of the legislature. Projects at the \$5 million and above level require Joint Legislative Budget Commission approval.

- This fund is intended to promote wealth-creating projects when the state is part of an intense competition.
- This incentive uses a performance-based contract. Repayment with penalties is required if the performance targets are not met.
- The jobs created must have an average annual wage of at least 125 percent of the area- or state-wide private sector average wage.

3. Florida Flex (formerly Quick Response Training Program)

- Florida Flex is a training grant program usually accomplished through a partnership with a state educational facility, such as a community college, area technical center, school district, or university. Reimbursable training expenses include instructors'/trainers' wages, curriculum development, and textbooks/manuals. No minimum number of jobs is required.

4. High Impact Performance Incentive Grant

- The High Impact Performance Incentive Grant is a negotiated amount reserved for the creation of 50 new jobs (or 25 for an R&D facility) that involve advanced manufacturing, clean energy, corporate headquarters, financial services, life sciences, semiconductors, or transportation equipment manufacturing. The entity must also be making a \$50 million (or \$25 million for an R&D facility) capital investment over three years.

5. Economic Development Transportation Fund

- The Economic Development Transportation Fund, or “Road Fund,” provides funding for transportation projects needed for a new location or relocation and can be used for such things as access roads, turn lanes, and traffic signals.
- The amount awarded, which depends on the number of jobs created, is capped at \$3 million per project.

6. Specific area incentives (e.g., Urban Incentive, Brownfield Incentive, or Enterprise Zone Incentive)

- These site-specific incentives may provide additional per-employee tax credits based on the location of a new business in an underutilized geographic location.

To learn whether your company might benefit from these or other economic incentives in Florida, contact a member of the Carlton Fields Government Law and Consulting practice group.

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