



Economic Development Ad Valorem Tax Exemption

Section 196.1995, Florida Statutes

Overview of Florida Statutory Requirements

- Any County or City may grant exemptions for up to 10 years to ad valorem taxes imposed on new business and expansions to existing businesses for economic development purposes.
- The exemption may be granted for up to 100 percent of the assessed value of eligible improvements to real and tangible property for qualifying businesses (existing tax base is not affected).
- The exemption applies only to taxes levied by the respective unit of government granting the exemption (City millage only).
- The exemption does not apply to taxes levied for the payment of bonds or to special taxing districts. The exemption does not apply to land.
- The authority to grant exemptions must be approved by referendum of the subject municipality or county. Tarpon Springs held a referendum on March 12, 2019, and the referendum question was approved by 63.7% of the electorate.
- The statute defines eligible business types and requires minimum new job creation requirements, as follows: manufacturing or Qualified Target Industry (10 new jobs); business with greater than 50% of sales revenues from out-of-state customers (25); and office (50).
 - Qualified Target Industries are: Advanced Manufacturing; Aviation & Aerospace; Business & Financial Services; Defense & Homeland Security; Information Technology; and Life Sciences & Medical Technologies.
- The average wage for such new manufacturing or Qualified Target Industry jobs must be above the average wage for Pinellas County as published by Enterprise Florida, Inc., in the year in which the applicant files the completed application.
- Program details are defined in an enacting ordinance after referendum approval. The enacting Ordinance is Ordinance 2020-05, which was adopted Feb. 25, 2020, by the Board of Commissioners.
- Eligible companies must make formal written application for the exemption. Individual exemption requests may be approved by Ordinance of the local government (or denied) on a case-by-case basis.
- The process by which an application is accepted, evaluated, and approved includes:
 - Staff Review
 - Pinellas County Property Appraiser's Report
 - Recommendation of exemption by staff
 - Tarpon Springs Tax Exemption Agreement executed by Applicant. Agreement includes the submission of an Annual Report. BOC may revoke the exemption if the application fails to meet the program requirements in any given year.
 - Agreement and Ordinance sent to BOC for consideration (2 readings)
 - BOC may approve as presented, deny, or approve with amended conditions

- All businesses approved for the Economic Development Ad Valorem Tax Exemption must execute an agreement and must provide an Annual Report on the actual number of new, full-time jobs created and their actual average wage. The agreement may provide the BOC with the authority to revoke, in whole or in part, the exemption if the applicant fails to meet the expectations and representations made in the application.
- The locality's authority to grant the exemption expires after ten years per State Statute, but may be renewed for additional ten-year periods upon further referendum approvals.