



### **III. Qualification for Tax Exemption “Do You Qualify for a Tax Exemption”**

Before completing an application, please read the following eligibility requirements that determine whether you qualify for a tax exemption under the “Economic Development Ad Valorem Tax Exemption ordinance of the City of Melbourne, Florida” (Ordinance No. 2001-18, Effective on April 24, 2001, and Ordinance No. 2003-65 effective on August 26, 2003, included as Attachment C).

- A. Ad valorem tax exemptions apply to new businesses relocating to the City of Melbourne and to expansion of businesses already situated in Brevard County.
- B. New or expanding businesses must make a positive contribution to the economy of the City of Melbourne in terms of new jobs and Improvements to real and personal property.
- C. Incentives are applicable to businesses of diverse industries with the exception of retail operations.
- D. Any and all exemptions granted must result in an economic benefit to the City, i.e., exemptions would support the City of Melbourne and its existing businesses.
- E. The Applicant must be a person, firm, partnership, or other Business organization or entity, with the object of private or public gain, benefit, or advantage, either direct or indirect.
- F. New Business.
  - 1. As defined in Section 196.012(15), Florida Statutes, a new Business must meet the following criteria:
    - (a) A Business establishing ten (10) or more jobs to employ ten (10) or more full-time employees in this State, which manufactures, processes, compounds, fabricates, or produces for sale items of tangible personal property at a fixed location and which comprises an industrial or manufacturing plant; or
    - (b) Any Business establishing twenty-five (25) or more jobs to employ twenty-five (25) or more full-time employees in this State, whose Sales Factor, as defined by Section 220.15(5), Florida Statutes, for the facility with respect to which it requests an economic development ad valorem tax exemption is less than 0.50 for each year the exemption is claimed; or
    - (c) An office space in this State owned and used by a corporation newly domiciled in this State; provided such office space houses fifty (50) or more full-time employees of such corporation; or

- (d) A Business located in an Enterprise Zone (pursuant to Section 290.0065, Florida Statutes).
  - 2. Any new Business must first begin operation on a site clearly separate from any other commercial or industrial operation owned by the same Business.
- G. Expansion of an Existing Business.
  - 1. As defined in Section 196.012(16), Florida Statutes, Expansion of an Existing Business must meet the following criteria:
    - (a) A Business establishing ten (10) or more jobs to employ ten (10) or more full-time employees in this State, which manufactures, processes, compounds, fabricates, or produces for sale items of tangible personal property at a fixed location and which comprises an industrial or manufacturing plant; or
    - (b) Any Business establishing twenty-five (25) or more jobs to employ twenty-five (25) or more full-time employees in this State, whose Sales Factor, as defined by Section 220.15(5), Florida Statutes, for the facility with respect to which it requests an economic development ad valorem tax exemption is less than 0.50 for each year the exemption is claimed; or
    - (c) Any Business located in an Enterprise Zone (pursuant to Section 290.0065, Florida Statutes).
  - 2. Any Expansion of an Existing Business must increase operations on a site co-located with a commercial or industrial operation owned by the same Business, resulting in a net increase in employment of not less than ten percent (10%) or an increase in productive output of not less than ten percent (10%). The ten percent (10%) requirement does not apply to Enterprise Zones.
- H. The Exemptions shall not accrue to Improvements to real property made by or for the use of new or expanding businesses when such Improvements have been included on the tax rolls prior to the effective date of the ordinance specifically granting a Business an exemption.
- I. Property acquired to replace existing property shall not be considered to facilitate a Business expansion.
- J. No Exemption shall be granted for the land upon which new or expanding businesses are to be located.

- K. The ability to receive an exemption for the period granted is conditioned upon the Applicant's ability to maintain the new Business or the Expansion of an Existing Business throughout the entire period.
- L. Any existing Business in violation of any federal, State, or local law or regulation governing environmental matters is not eligible for an exemption.