

Florida's leaders have made a strong commitment to investing in clean energy technologies to strengthen Florida's energy sources and economy while preserving the natural environment. Resulting government policies and incentives are creating accelerated growth in clean energy technology development and clean energy production.

Clean energy incentives are available to companies looking to generate renewable energy or manufacture energy efficient or renewable energy products and technologies and for those who want to integrate solar energy into their production process. Renewable energy means electrical energy produced from a method that uses one or more of the following fuels or energy sources: hydrogen produced from sources other than fossil fuels, biomass, solar energy, geothermal energy, wind energy, ocean energy, and hydroelectric power.

Additional incentives based on job creation and capital investment may be available through Enterprise Florida.

Tax Exemptions

Renewable Energy Technologies Investment Tax Credit ([Section 220.192, Florida Statutes](#))

A corporation may be eligible for a credit against the corporate income tax for 75 percent of all capital costs, operation and maintenance costs, and research and development costs in connection with an investment in the production, storage, and distribution of biodiesel, ethanol, and other renewable fuel in the state, including the costs of constructing, installing, and equipping such technologies in the state. Eligible costs may not exceed \$1 million per state fiscal year for each taxpayer and \$10 million per state fiscal year for all taxpayers. Any unused credit due to insufficient tax liability may be carried forward by the corporation.

Solar Energy Systems Equipment Sales Tax Exemption ([Section 212.08\(7\)\(hh\), Florida Statutes](#))

Solar energy systems have been exempt from Florida's sales and use tax since July 1, 1997. The term "solar energy system" means the equipment and requisite hardware that provide and are used for collecting, transferring, converting, storing or using incidental solar energy for water heating, space heating and cooling, or other applications that would otherwise require the use of a conventional source of energy such as petroleum products, natural gas, manufactured gas or electricity.

Other Sales and Use Tax Exemptions

- Machinery and equipment used by a new or expanding Florida business to manufacture, produce or process tangible personal property for sale.
- Electricity used in the manufacturing process.
- Machinery and equipment used predominantly in research and development.
- Co-generation of electricity.
- Labor, parts and materials used in repair of and incorporated into machinery and equipment.
- Certain boiler fuels (including natural gas) used in the manufacturing process.
- Semiconductor industry transactions involving manufacturing equipment.

Florida Capital Formation Act Resources

Florida Opportunity Fund (*Section 288.9624, Florida Statutes*)

The Florida Opportunity Fund (FOF) is a fund of funds that directs investments into venture capital fund managers who in turn invest in seed and early stage concepts in Florida. The program is sponsored by Enterprise Florida and is managed by Florida First Partners (“FFP”). The FOF was created:

- To realize significant long-term capital appreciation by investing in high-quality venture capital funds that will focus (in whole or in part) on making investments in Florida;
- Increasing the availability of seed capital and early stage venture equity capital for emerging companies in the State;
- Significantly increasing the potential to create new businesses and jobs in the State that are based on high-growth potential technologies, products, or services that will further diversify Florida’s economy.

Contact 407.956.5695, <http://www.floridaopportunityfund.com/>

Clean Energy Investment Program – Florida Opportunity Fund

The Florida Opportunity Fund’s Clean Energy Investment Program was created to promote the adoption of energy efficient or renewable energy (EE/RE) products and technologies in Florida by providing funding to businesses to increase the use of EE/RE technologies, equipment and materials in the State.

Funding opportunities afforded under the Program may consist of debt and other instruments, so long as the proposed activities are consistent with the Focus Areas described below. Examples of possible structures for funding opportunities include project financing, asset-based lending, mezzanine financing and equity investments.

The Program’s Focus Areas for investment are:

- Facility and Equipment Improvement: retrofitting, expanding, upgrading or demonstrating energy efficient products, equipment and materials for use by companies in their existing facilities and buildings in Florida.
- Renewable Energy Products: demonstrating energy efficient products, equipment and materials for use by companies in their existing facilities and buildings in Process Improvement: identifying potential energy efficiencies and then executing actions to reduce consumption or increase the efficient use of energy in existing production, manufacturing, assembly or distribution processes, including the purchase of equipment and materials to make processes more energy efficient.

The Program may invest alongside additional private capital that will allow funding for activities beyond those permitted by the Program. The Program will target funding opportunities ranging from \$500,000 to \$5 million. Applicants should reference the Program Overview and Application for additional details regarding permitted activities to ensure compartment of their proposed funding opportunity.

Contact 407.838.1400, <http://floridaopportunityfund.com/EnergyAbout.asp>

Institute for the Commercialization of Public Research (*Section 288.9625, Florida Statutes*)

Florida’s universities play an active role in the economic development of the state. The Institute’s mission is economic development through the commercialization of new discoveries generated from publicly funded research. Success is measured by the number of companies and jobs that are created, and the amount of capital invested into new ventures.

Contact 561.368.8889, <http://www.florida-institute.com/>

Key Incentives

Qualified Targeted Industry Tax Refund

The Qualified Target Industry (QTI) Tax Refund program provides an incentive for target industries to locate new facilities in Florida or to expand existing facilities in Florida. The program provides tax refunds of \$3,000 per new job created. The incentive is increased to \$6,000 per job if the company locates in a rural county or an Enterprise Zone. Higher awards are available to businesses within the clean energy sector and those paying very high wages. To qualify for the QTI program, a company must create at least 10 new jobs (or a 10% increase for expanding Florida companies), pay an average of at least 115% of area wages, have a significant positive impact on the community and have local support.

Quick Response Training

The Quick Response Training (QRT) Program provides grant funding for customized training required by new or expanding businesses. Through this business-driven program, Florida is able to effectively retain and attract businesses creating new high-quality jobs. CareerSource Florida, Inc. administers the program. This performance-based program is a key component of Florida's incentive portfolio, as most competitor states have similar training incentive offerings.

The program has been structured to be flexible and to "respond quickly" to meet the business's training objectives. A local fiscal agent--college, area technical center, or university--is selected and is available to assist in the application and reimbursement process. The business may use their customized training program with their own trainer, provide training from an outside vendor or utilize the college, technical center or university to provide customized training. Reimbursable training expenses include: instructors'/ trainers' salaries, curriculum development, textbooks/manuals, and materials/supplies.

High Impact Incentives

Capital Investment Tax Credit

The Capital Investment Tax Credit is used to attract and grow capital-intensive industries in Florida. It is an annual credit, provided for up to twenty years, against the corporate income tax. As one of Florida's high impact sectors, Clean Energy businesses are specifically targeted for this incentive. Projects must create a minimum of 100 jobs and invest at least \$25 million in eligible capital costs. The level of investment and the project's Florida corporate income tax liability for the 20 years following commencement of operations determines the amount of the annual credit.

High Impact Performance Grant

The High Impact Performance Incentive (HIPI) is a negotiated grant used to attract and grow major high impact facilities in Florida. Grants are provided to applicants pre-approved by the Department of Economic Opportunity (DEO). As one of Florida's high impact sectors, Clean Energy businesses are specifically targeted for this incentive. Projects must create at least 50 new full-time equivalent jobs (if a R&D facility, create at least 25 new full-time equivalent jobs) in Florida in a three-year period and make a cumulative investment in the state of at least \$50 million (if a R&D facility, make a cumulative investment of at least \$25 million) in a three year period. Once recommended by Enterprise Florida, Inc. and approved by DEO, the high impact business is awarded 50 percent of the eligible grant upon commencement of operations and the balance of the awarded grant once full employment and capital investment goals are met.

Other Resources

Florida Solar Energy Center

The University of Central Florida's Florida Solar Energy Center (FSEC) in Cocoa is the state's energy research institute, which develops energy technologies that enhance the Florida and national economy and environment. Research efforts include industry partners, nonprofit organizations, private sponsors, and national laboratories. The goal of this center is to educate the public, students, and practitioners on energy research.

Contact 321.638.1000, <http://www.fsec.ucf.edu/en/>