

Ad Valorem Tax Exemption Program FAQ

QUESTION: What is the purpose of the Ad Valorem Tax (AVT) Exemption program?

ANSWER: The program is designed to attract new businesses or expansion of existing businesses in the City of Melbourne through the exemption of city taxes.

QUESTION: Who is eligible for AVT exemption?

ANSWER: Generally to be eligible, businesses must agree to create a minimum of 10 jobs and make a new capital investment in either new construction or business personal property.

QUESTION: Who grants AVT abatements?

ANSWER: The Melbourne City Council has sole discretion to grant the AVT abatements city-wide.

QUESTION: Do AVT exemptions involve cash transactions?

ANSWER: No. As the name implies, AVT exemption involves an annual reduction of city property taxes for a period of time not to exceed 10 years. The exemption does not begin until at least one year after it is granted and only after the company has submitted the required annual report certifying it has met required milestones of job creation, wages and capital investment.

QUESTION: Do AVT exemptions involve all taxes levied in Brevard County?

ANSWER: No. The abatement does not apply to taxes levied by the County, school district or water management district, or to taxes levied for the payment of bonds or taxes authorized by a vote of the electors.

QUESTION: Once abatement is granted, does it remain in place no matter what?

ANSWER: No. The ability for a business to receive abatement for the period granted is conditioned upon the applicant's ability to achieve hiring, wage and capital investment requirements agreed to at the time the abatement is approved. Failure to achieve those obligations will lead to the abatement being rescinded.

QUESTION: How does the city monitor whether a business is achieving the goals required under the AVT exemption program?

ANSWER: The applicant is required to submit an annual report to the City of Melbourne showing it has satisfied job creation, wage and capital investment milestones, which were the basis for approval of the project.