

# JO/CARROLL ENTERPRISE ZONE TAX INCENTIVES

**SALES TAX DEDUCTION ON BUILDING MATERIALS:** Building materials used in projects in the Enterprise Zone are exempt from sales tax with a certificate from the Enterprise Zone Administrator of the zone where the building materials will be incorporated as stated in Public Act 92-0779. In the Jo/Carroll Enterprise Zone you must have a certificate issued by the zone administrator **prior** to the start of construction to qualify for any local incentives. Remember order date is purchase date! There is a 1% fee on the total of new construction and renovation not to exceed \$100,000, unless located in a TIF District the fee is ½%.

**PROPERTY TAX ABATEMENT:** Certified projects shall receive abatement on the increased assessment due to the project as follows: Such abatement shall be for three (3) years at the rate of 100% percent for improvements of those projects creating less than five (5) full time jobs; for those projects creating five (5) full time jobs or more, such abatement shall be for seven (7) years as follows; three (3) years at the rate of 100 percent for improvements, the fourth (4) year abatement of 80% for improvement, the fifth (5) year abatement of 60% for improvements, the sixth (6) year abatement of 40% for improvements, and the seventh (7) year abatement of 20% for improvements. No property tax abatement will be granted to improvements first assessed in the year 2035 or any subsequent year. In the Jo/Carroll Enterprise Zone projects are eligible for real estate tax abatements as long as the property is not located in a TIF District. Abatements are only on county tax. **Abatement is determined by the first year in which the project is assessed.**

The following provision will apply to all projects involving demolition and new construction. Any project which involves new construction on a site which previously was occupied by a building(s) will receive the real estate tax abatement on a "net new" basis. That is, the increased assessment amount to be abated will be based on the most recent assessment of the property which included the valuation of the property which included the valuation of the land and original building(s).

**INVESTMENT TAX CREDIT:** The Illinois Income Tax Act allows a .5% credit against state income tax for investments in qualified property placed in service in the Enterprise Zone. This credit is in addition to any other investment tax credit allowed under Illinois statute (consult your tax consultant).

**JOBS TAX CREDIT:** Employers in the Jo/Carroll Enterprise Zone are eligible for a tax credit on Illinois income taxes for hiring five certified economically disadvantaged or dislocated workers within the same year. Contact the Enterprise Zone Administrator for more information.

**DIVIDEND DEDUCTION:** Taxpayers may deduct from their taxable income an amount equal to dividends paid to them by a corporation which conducts substantially all of its operations in an enterprise zone or zones (consult your tax consultant).

**UTILITY TAX EXEMPTION/MACHINERY AND EQUIPMENT DEDUCTION:**

Businesses which make an investment in an Enterprise Zone which creates a minimum of 200 full-time equivalent jobs or retains 1,000 jobs is eligible for tax exemption on utilities. Businesses which make an investment of \$5 million or more which creates at least 200 jobs or retains 2,000 or 90% of existing jobs is eligible for sales tax exemption on personal property used or consumed in the manufacturing process.

***All Enterprise Zone projects must be certified by the zone administrator prior to start of construction. Building permits are required; there is an application fee.***

*Betty J. Steinert, Enterprise Zone Administrator.*  
*Phone:(815)772-5175, Fax: (815)772-5249*  
*E:mail: bsteinert@whiteside.org*