

# JO/CARROLL ENTERPRISE ZONE #95

## TAX INCENTIVES

**SALES TAX DEDUCTION ON BUILDING MATERIALS:** Building materials used for incorporation into projects in the Enterprise Zone are exempt from sales tax with a certificate issued from the Illinois Department of Revenue (IDOR). Certificates are applied for by the Enterprise Zone Administrator of the zone where the building materials will be incorporated for contractors and project owners. In the Whiteside Carroll County Enterprise Zone #8 you must have a project application approved by the zone administrator and a separate sales tax exemption form completed by each contractor & or owners prior to the submission of sales tax exemption request to the IDOR. These forms are available from the Enterprise Zone Office. There is a 0.5% fee on the total of building materials cost for renovation and new construction not to exceed \$50,000.

**PROPERTY TAX ABATEMENT:** Certified business and Industrial 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. **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).

### **EZ MACHINERY AND EQUIPMENT SALES TAX EXEMPTION:**

The Revenue Act 35 ILCS 120/1df-1f, as amended allows a business enterprise that is certified by DCEO, that either creates a minimum of 200 full-time equivalent jobs in Illinois; or retains a minimum of 2,000 full-time jobs in Illinois; or which retains 90% of the existing jobs, a 6.25 percent state sales tax exemption on all tangible personal property which is used or consumed within an enterprise zone in the process of manufacturing or assembly of tangible personal property for wholesale or retail sale or lease. This exemption includes repair and replacement parts for machinery and equipment used primarily in the wholesale or retail sale or lease, and equipment, manufacturing fuels, material and supplies for the maintenance, repair or operation of manufacturing, or assembling machinery or equipment.

**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.*

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