



WHITESIDE CARROLL ENTERPRISE ZONE (2018) 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. In the Whiteside Carroll Enterprise Zone you must have a project application approved by the zone administrator and a separate Building Materials Exemption Certificate (BMEC) 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. It is recommended to apply 7 days in advance of wanting to order or purchase materials!

PROPERTY TAX ABATEMENT: Improvements in the Whiteside Carroll Enterprise Zone are eligible for real estate tax abatements as long as the property is not located in a TIF District. Abatement amounts vary from 75% to 94% on increased assessed value of improvements, percentage of abatement is determined by project location because not all taxing bodies in the zone abate. The Enterprise Zone Administrator will provide a tax abatement estimate upon request. The following chart shows years of abatement and when they may become affective:

CONSTRUCTION YEAR	*ASSEMENT YEAR	YEARS OF ABATMENT
2018	2019	5
2019	2010	5
2020	2021	5
2021	2022	5
2022	2023	5
2023	2024	5
2024	2025	5

*** Abatement is determined by the first year in which the project is assessed.**

DEMOLITION: 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 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.

Application forms for sales tax exemption and real estate taxes abatement **must** be completed by applicant and then certified by the Whiteside Carroll Enterprise Zone Administrator and sales tax certificates issued by Illinois Department of Revenue before you are eligible for sales tax exemption. Each contractor and who is providing materials must provide and or complete the sales tax application form. ***Do not order or purchase building materials before your sales tax certificates are issued!***

It is recommended to apply 7 days in advance of wanting to order or purchase materials!

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.

****Business Report** — Businesses that receive incentives because they are located within either an enterprise zone or river edge redevelopment zone, or because they are a high impact business, must file a business report with IDOR. Each business that receives incentives must report the information IDOR requests, and IDOR will complete the incentive calculations for the business. Enterprise or river edge redevelopment zone businesses must also provide their Zone Administrator with the information required in the Act. Reports are to be submitted on line at <http://www.revenue.state.il.us> by March 31 of each year.

***FOR ASSISTANCE AND TO APPLY
PLEASE CONTACT***

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