

ENTERPRISE ZONE BENEFITS

1. Investment Tax Credit

- 0.5% credit against state income tax for investments on qualified property
- Qualified property includes buildings, tanks, boilers, etc.
- Non-qualified properties include land, inventories, small equipment

2. Sales Tax Deduction

- Building materials for remodeling, rehabilitation, or new construction may be exempt from sales tax
- Building materials include items that are permanently affixed to the property, including lumber, mortar, carpeting, paint, etc.

3. Machinery and Equipment Sales Tax Exemption

- Exempts sales tax on all tangible personal property used in the process or manufacturing or assembly
- Requirements to qualify:
 - Minimum \$5 million new investment and 200 new full-time jobs, or
 - \$40 million investment and retain 2,000 jobs in Illinois, or
 - \$40 million investment and retain 90% of jobs in place

4. Utility Tax Exemption

- Exemption
 - 5% state tax on gas and electricity
 - ICC 0.1% administrative charge
 - Telecommunications excise taxes
 - Potential exemption from local utilities taxes
- Requirements to qualify:
 - Minimum \$5 million investment and creation of 200 new full-time jobs, or
 - \$175 million investment and creation of 150 new full-time jobs, or
 - \$20 million investment and retention of 1,000 jobs in Illinois

5. Gas Use Tax Exemption

The Gas Use Tax Act is imposed on persons who purchase natural gas from outside of Illinois for their own use (not for resale)

- 2.4 cents/therm or 5% of total cost

Minimal requirements to receive benefit – must be in an Enterprise Zone

For additional information visit:

<https://www.illinois.gov/dceo/ExpandRelocate/Incentives/taxassistance/Pages/EnterpriseZone.aspx>

<http://www.ieza.org/>