



CITY OF MONTE VISTA

www.cityofmontevista.com

95 1st Ave Monte Vista, CO 81144

Main Phone: (719) 852-2692 ~ TDD: (719) 852-4575 ~ Main Fax: (719)852-6167

Surrounded by Inspiration

Enterprise Zone Incentives*for Business Development

Investment Tax Credit- Investments in equipment used exclusively in an Enterprise Zone, which would have qualified for the pre-1986 federal investment tax credit, may claim a credit equal to 3% of the amount of the investment, subject to limitations on the amount which can be claimed in any one year. Investment which results from an in-state relocation is not eligible for the credit unless the new location qualifies as an expansion. Excess credits may be carried back 3 years and forward 12 years.

Job Training Tax Credit- Employers who carry out a qualified job training program for their Enterprise Zone employees may claim an income tax credit of 12% of their qualified training costs.

New Employee Credit- Businesses hiring new employees located in an Enterprise Zone may claim a tax credit of \$1,100 for each such employee. The credit may be taken in subsequent years of the Enterprise zone for each additional employee above the maximum number employed in any prior Tax year. Excess credits may be carried forward 5 years.

Enhanced Rural Enterprise Zone (ERZ)- Beginning January 1, 2003, the new Jobs Credit offers an additional credit of \$2,000 per new job for New Business Facilities located in a designated Enhanced Rural Enterprise Zone. The total new job credit is \$3,100.

New Employee Agricultural Processing Jobs Credit- An additional credit of \$500 per new employee may be claimed by businesses which add value to agricultural commodities through manufacturing or processing. Businesses that qualify for the new Ag Processing Jobs Credit of \$500 also qualify for the new Jobs credit of \$1,100, for a total of \$1,600.

Enhanced Rural Enterprise Zone (ERZ) Ag Processing Jobs- Beginning January 1, 2003, the new Ag Processing Jobs Credit offers an additional credit of \$500 per new agricultural processing job or New Business Facilities located in a designated Enhanced Rural Enterprise Zone. This is in addition to the regular new jobs credit of \$1,100, the ERZ new Jobs Credit of \$2,000 and the standard new Ag Processing Credit of \$500 for a total credit of \$4,100 per new agricultural processing job in an ERZ. Visit the Enhanced Rural EZ page of our website for more details.

New Jobs Health Insurance Credit- To encourage employer-sponsored health insurance plans, a taxpayer with qualifying new job is allowed a two-year \$1,000 tax credit for each new employee who is insured under a qualifying employer-sponsored health insurance program.

R&D Increase Tax Credit- Private Expenditures on research and experimental activities (as defined in federal tax law) conducted in an Enterprise Zone qualify for an income tax credit. This credit is 3% of the amount of the increase in the taxpayer's R&D expenditures within the zone for the current tax year above the average of R&D expenditures within the zone area in the previous two years. No more than .25% of the allowable credit may be taken in any one tax year.

Vacant Building Rehabilitation Tax Credit- Owners or tenants of commercial buildings in an Enterprise Zone which are at least 20 years old and which have been vacant for at least 2 years may claim a credit of 25% of the cost of rehabilitating each building up to the first \$200 000. The credit is limited to \$50 000.

Manufacturing and Mining Sales and Use Tax Exemption- Machinery used solely and exclusively in a designated Enterprise Zone does not have to be capitalized to qualify for the exemption. Materials for construction or repair of machinery or machine tools are exempt from the state sales and use tax if the machinery is used exclusively in an Enterprise Zone. Mining operations are included in the definition of manufacturing when performed in an Enterprise Zone.

Contribution Tax Credit- Contributions to certain eligible Enterprise Zone economic development projects may claim a tax credit. To be eligible, the project must be approved by the local Enterprise Zone administrator and the Colorado Economic Development Commission. The amount of the credit is 25% of the cash value of the contribution up to \$100 000 in tax credits.

Local Government Incentives in an Enterprise Zone –Any City, County or special district within an Enterprise Zone is authorized to negotiate with individual taxpayers who have qualifying new business facilities:

- a) an incentive payment or property tax credit equal to not more than the amount of the increase in property tax liability over pre-Enterprise Zone levels and
- b) a refund of local sales taxes on purchases of equipment, machinery, tools or supplies used in the taxpayer's business in the Enterprise Zone. Please visit the Local Government Property Tax Incentives page of this website for more details on the statutory allowances provided by C.R.S. 39-30-107.5.

Commercial Vehicle Investment Tax Credit- Investment in a qualifying commercial vehicle on or after July 2011 may submit an application to the Economic Development Commission for their consideration to receive a tax credit in the amount of 1.5% of the investment. The commercial vehicle must remain predominantly housed and based in the Enterprise Zone for 12 months per statute.

***These incentives are based on a zoning map developed over the years by the county or municipality that your business is located in. Please check the map to determine your qualification(s). All credits are claimed against Colorado Income Taxes.**

Businesses wishing to take advantage of any Enterprise Zone Credits MUST pre-certify their business BEFORE commencing with any activity that may be eligible for Enterprise Zone Credits.

Please pre-certify EACH YEAR at: <http://www.advancecolorado.com/funding-Incentives/incentives/enterprise-zone-tax-credits/ez-pre-certificationand-certification>

For more information, contact:

Kevin Wilkins, Executive Director
San Luis Valley Enterprise Zone Administrator
San Luis Valley Development Resources Group
P.O. Box 300 1610 State Ave., Suite 200, Alamosa, CO 81102
719-589-6099; Fax 719-589-6299; www.slvdr.org