



COLORADO

Office of Economic Development
& International Trade

Business Funding & Incentives

Date: 9/22/2021 Prepared for: 2021 Legislative Oversight Committee
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Business Funding and Incentives Division of OEDIT

Enterprise Zone (EZ) Background Briefing



[C.R.S. 39-30](#)

**The scope of tax policy for this task
force to consider is:**

“the geographic extent of enterprise zones
within Colorado, and options for their
continuation or discontinuation”

Helpful Resources

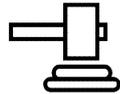


[State EZ Website](#)

(interactive searchable map by address)



[DOR Tax Guide](#)



[Statutes](#) & Regulations

Legislative Intent



The situation

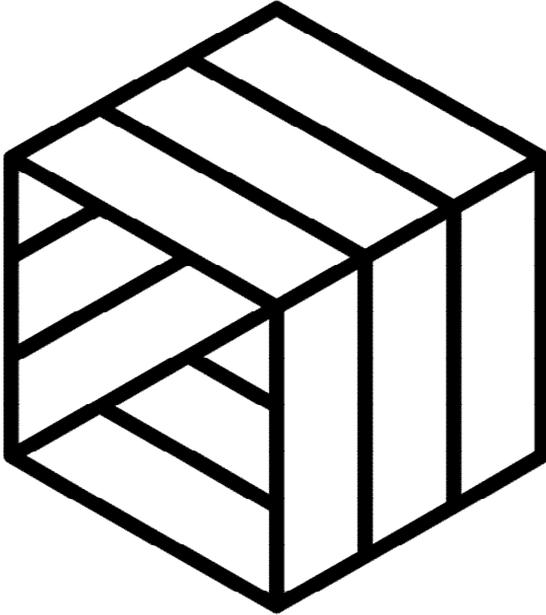
C.R.S. 39-30-102 1 (b)... “there currently exist in this state **both rural and urban areas** which require new employment opportunities to overcome conditions of unemployment, underemployment, net out-migration of the population, chronic economic distress, deterioration of main street business districts, or sudden and severe economic dislocations and that such conditions may well exist, from time to time, in other areas of the state...”



The solutions

C.R.S. 39-30-102 (2) Therefore the intent of this program is “...to provide incentives for private enterprise to expand and for new businesses to locate in such economically depressed areas and to provide more job opportunities for residents of such areas”

Enterprise Zones are OEDIT's Largest and Most Complex Program



- Program includes 11 different incentives
- Frequently exceed \$100 million in tax credits issued per year (most of any OEDIT program)
- Enterprise Zone web page is the most visited permanent program page across OEDIT's sites
- More than 10,000 online web transactions per year
- 16 different zones with 19 administrators span every region in Colorado

Maturity of EZ program



Legislative History

- Created in 1986
- 47 bills have impacted and modified the program

OEDIT transitioned business credits from paper applications to online in 2012. Contribution credits transitioned in 2018

OEDIT and the EDC regularly review EZ administrative policies

DOR collaborates with OEDIT to update tax guides

DOR conducts rule making as needed

Recent History: 2012-2013

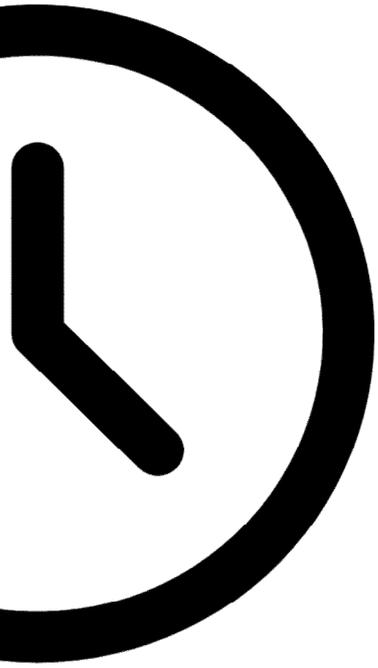
HB12-1241 Task Force

In 2012, a task force was created to assess the Enterprise Zone program. Leeds School prepared a benchmark study of the program.

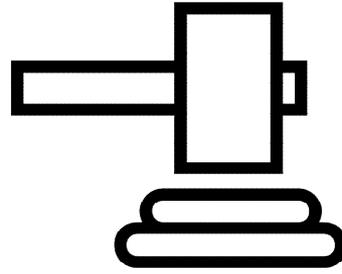
The task force met almost a dozen times and was exclusively focused on enterprise zones.

Based on task for recommendations the Enterprise Zone program...

- Increased population levels allowing more coverage of EZ
- Required Pre-certifications to receive business tax credits
- Adjusted tax credit amounts
- Implemented a 10 year boundary review (First happened in 2014 [effective 2016], next review to happen in 2024)



Oversight of EZ Program



While there are multiple stakeholders involved in the administration of Enterprise Zones, statutes are the guiding source for each individual and organization.

EDC

The Economic Development Commission was created by the Colorado General Assembly to promote economic development in Colorado. It consists of 11 members, with three members appointed by the Senate, three appointed by the House, and five appointed by the Governor.

OEDIT

Office of Economic Development and International Trade implements the state's economic development strategy.

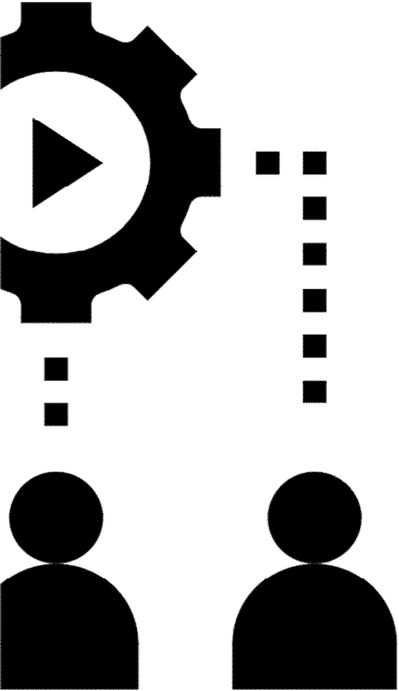
EZ Admins

Enterprise Zone Administrators are economic development organizations and provide tools to support businesses.

DOR

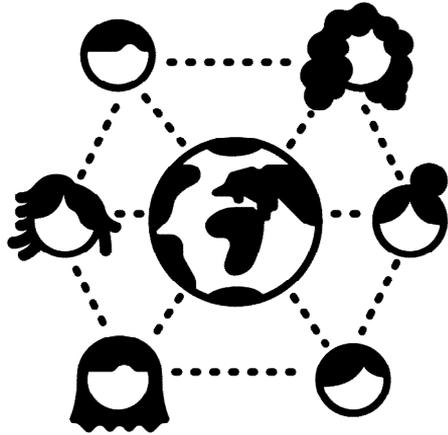
Department of Revenue implements tax policy and processes.

Key Management and Oversight Roles



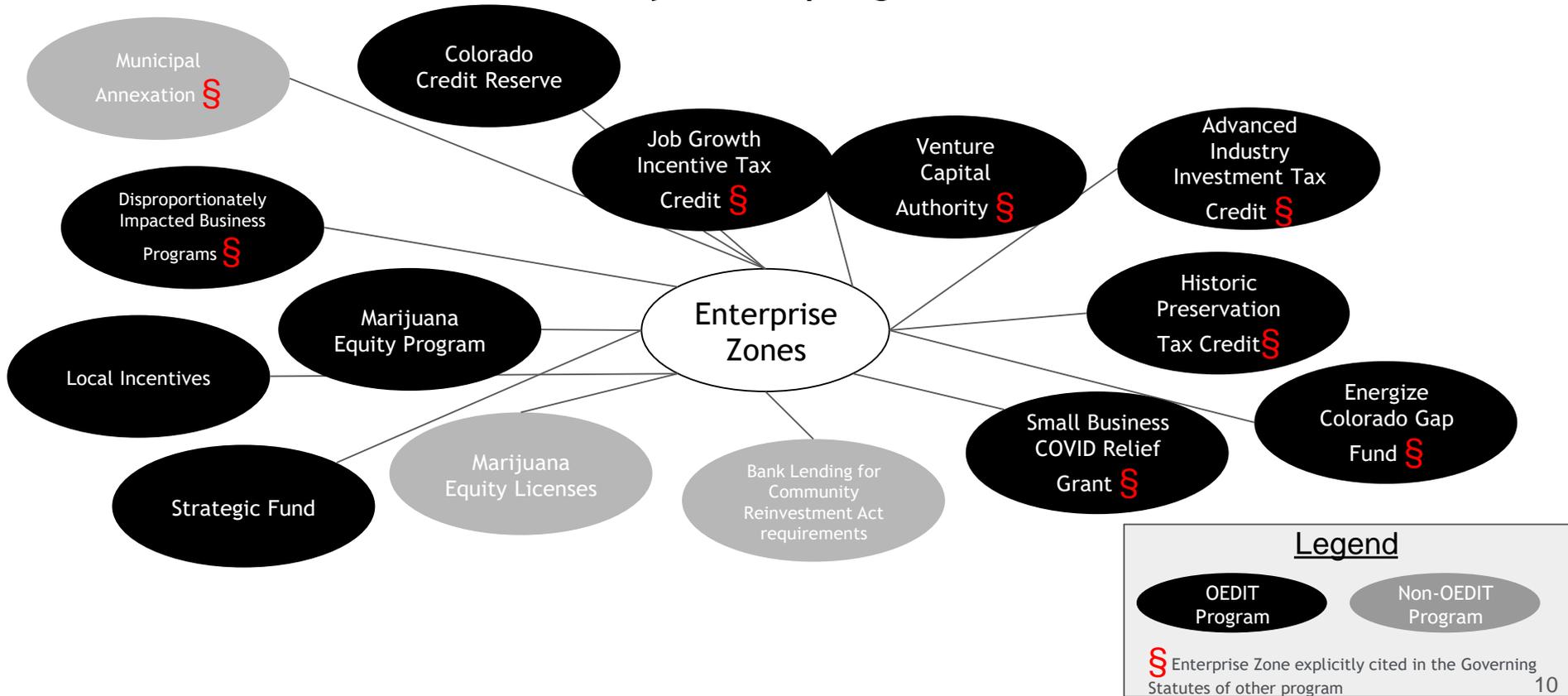
- [Enterprise Zone Admins](#) (Front line)
 - Represents & promotes EZ program locally
 - Proposes local boundaries
 - Cooperate with Local Economic Developers
- [OEDIT](#)
 - Manages EZ program at state level
 - Supports operations and provides guidance to EZ admins
 - Makes recommendations to EDC
- [Economic Development Commission \(EDC\)](#)
 - Approves contribution projects
 - Approves EZ Boundaries and Administrators
 - Establish policies for program operations
- [Department of Revenue](#)
 - Processes tax credits
 - Audit tax returns
 - Conduct rulemaking

Regular EZ program oversight-processes



Who	What
EZ Admins	Annual Written Zone Report with performance review narrative for each specific zone Provided to OEDIT
OEDIT	Annual Written Program Report provided to the General Assembly and verbally presented to the Legislative Audit Committee
OEDIT, EZ Admins, & EDC	EDC Contribution Project Approval Monthly meetings among zone administrators for peer review of contribution projects. Projects are then brought to EDC for final approval
OEDIT, EZ Admins, & EDC	EDC Policy Review and Decisions Periodically reviewed and approved as needed
OEDIT, EZ Admins, & EDC	Boundary Updates - targeted discretionary modifications once a year and mandatory statewide review every 10 years
DOR	Auditing of credit claims
DOR, OEDIT, EZ Admins	DOR Tax Guide and Regulation updates

Beyond their core function, EZs are an economic development platform that is explicitly cited in the governing statutes and official policies of many other programs



EZ Tax Credit Characteristics



EZ credits are State Income Tax Credits applied against income tax liabilities



EZ credits are **performance based** and issued in arrears



EZ credits are Non-Transferable



EZ credits are Non-Refundable



Can be carried forward various lengths of time



Can not be carried backward

A Locally Administered State Incentive

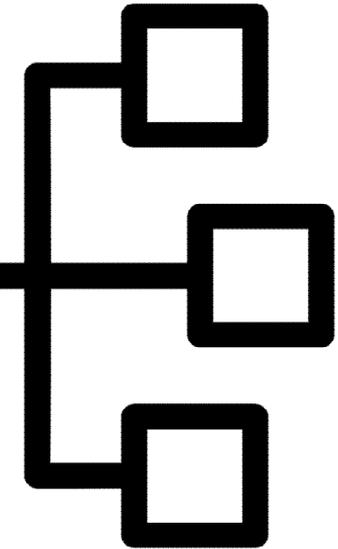


19 local and regional administrators spread throughout Colorado execute the program consistent with Colorado's spirit of local control

Zones are proposed & designed at the local level
OEDIT facilitates and verifies eligibility
EDC evaluate & approve/deny

Local and regional leadership and implementation is critical because it is based on local and regional conditions, needs, and financial situations of individual businesses

Enterprise Zone Tools

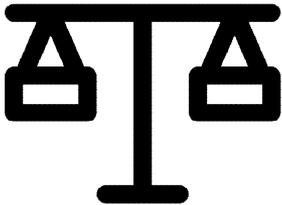
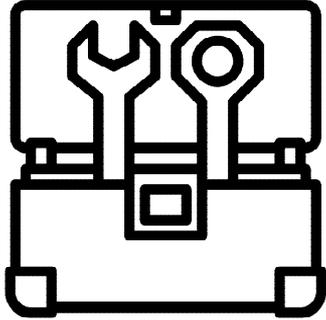


Business Tax Credit	Credit Name	How Credit Is calculated
	New Employee Tax Credit	\$1,100/ net new employee. Additional \$500 if manufacturing or processing ag. Commodities (\$2,000 if in an enhanced zone). \$500 for 2 years of providing health insurance.
	Investment Tax Credit	3% of business personal property investment
	Commercial Vehicle Tax Credit	1.5% of purchase price of qualified vehicles
	Job Training Tax Credit	12% of eligible job-training costs
	R&D Tax Credit	3% of increase in research and development expenses
	Vacant Commercial Building Rehabilitation Tax Credit	25% of eligible rehabilitation cost
Tax Exemption	Sales & Use Tax Exemption	Tax exemption on qualified purchases
Donor Tax Credit	Contribution Credit	25% Cash donations, 12.5% in-kind donations

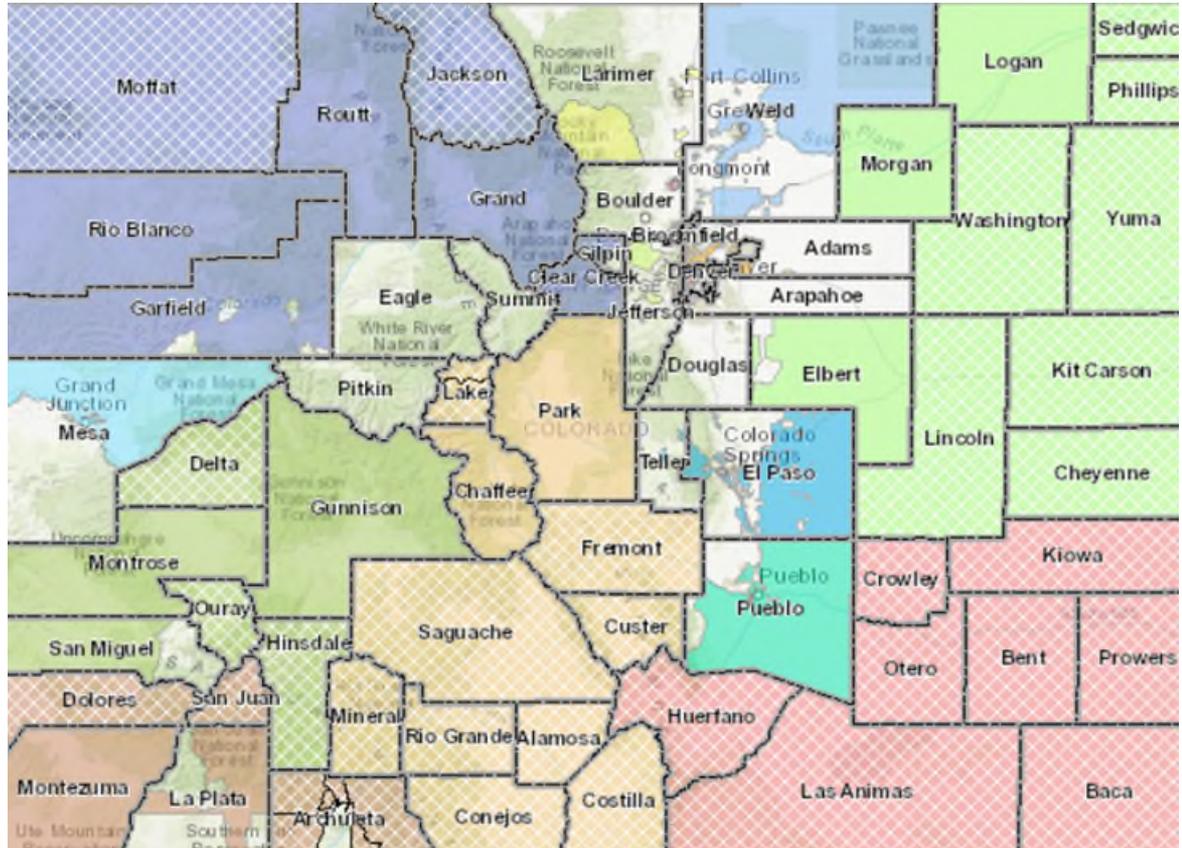
EZs within OEDIT's Programs Portfolio

OEDIT Has a portfolio of economic development tools balanced across business size, sector, geography, and EDI considerations

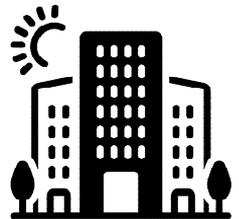
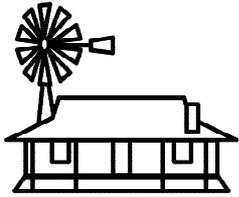
- EZs disproportionately benefits rural areas of Colorado and are one of the few state-level tools widely used by rural economic developers
- EZs provides local economic developers tools that local governments may not have the capacity to offer.
- EZs help geographically balance OEDIT's portfolio of tools as other programs disproportionately benefit Front Range urban communities



Enterprise Zones - Rural & Urban



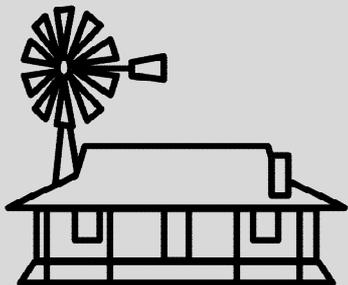
Statutory Definition of Rural Versus Urban Enterprise Zones



Zone Type	Statutory Definition	Population Limit
Rural	A rural enterprise zone may be a county, municipality, or unincorporated place (more than 10 miles from any municipality with a population greater than 50,000) with a population of fewer than 50,000.	Rural Zones have a 150,000 population limit.
Urban	County, municipality, or place with population greater than 50,000	Urban Zones have a 115,000 population limit.

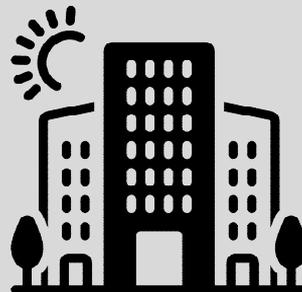
Rural vs Urban EZs

Rural



- More dispersed businesses
- Lower Population density
- Zones often defined at the County Level
- Business types more prevalent in rural areas
 - Ag and Ag Processing
 - Energy, Mining, Nat Res.
 - Telecom/broadband infrastructure
 - renewable energy (solar gardens and wind farms)

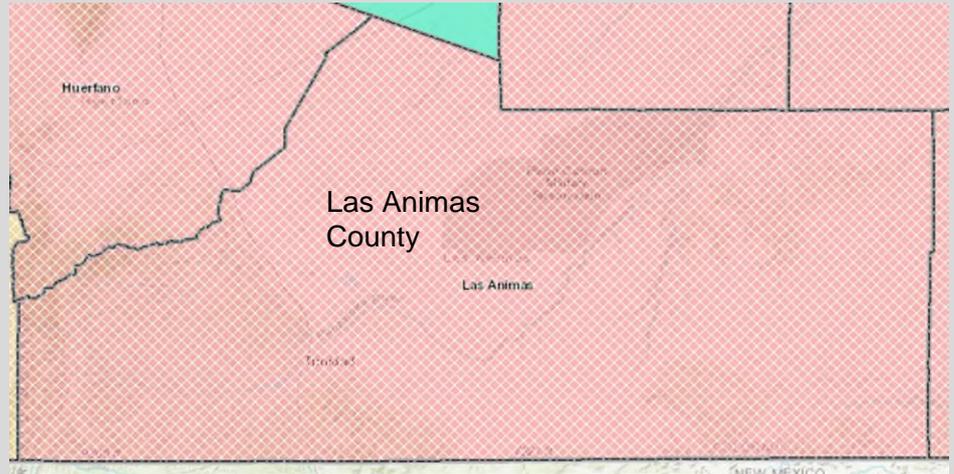
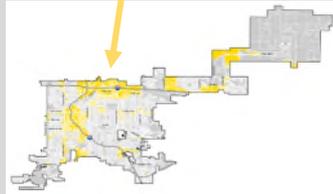
Urban



- More concentrated businesses
- Higher population density
- Zones almost exclusively focused in business districts and defined at the census block level and only include a fraction of the county.
- Contribution Projects take on a greater importance

A Rural vs Urban Zone

Designated
boundaries in
Yellow



Denver County (Most populous county in CO)
Population 705,576 people
Sq Miles 153 miles²
Population density: 4,612 people/miles²

Las Animas County (Geographically largest county in CO)
Population: 14,266 People
Sq Miles: 4,772.67 miles²
Population density: 3 people/miles²

Enhanced Rural Enterprise Zones



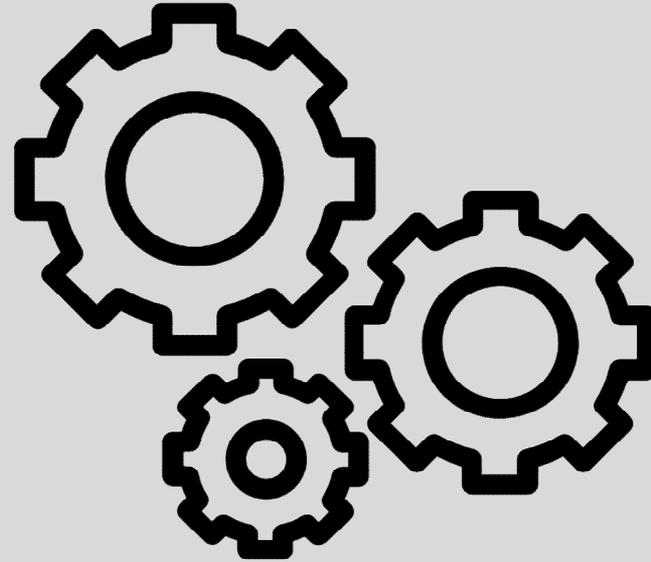
Rural enterprise zones can further qualify specific areas in the zone for enhanced rural enterprise zone (EREZ) status. Increases value of New Employee Tax Credits.

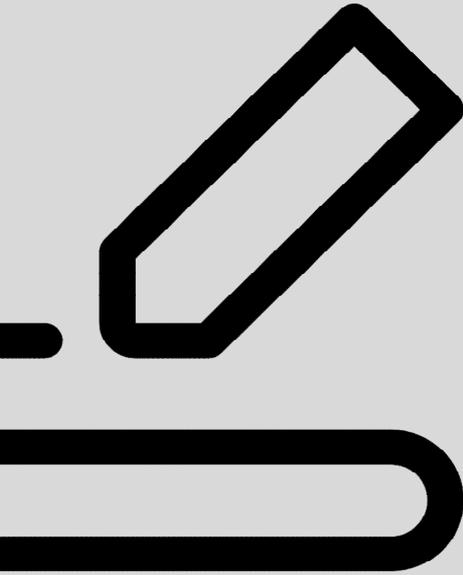
An enhanced rural enterprise zone may be a county, municipality, or unincorporated place (more than 10 miles from any municipality with a population greater than 50,000) with a population of fewer than 50,000.

Enhanced rural enterprise zones are updated every two years and areas may receive enhanced rural status if they meet two of these criteria:

- county unemployment rate is greater than 50% of the state average
- county per capita income is fewer than 75% of the state average
- county population growth rate is fewer than 25% of the state average
- total non-residential assessed value ranks in the lower half of all counties
- county population is fewer than 5,000

Key Processes





Establishing Zones & Changing Boundaries



Zones Established



Business in EZ?



Business Pre-Certifies



Business Certifies



Submits to DOR

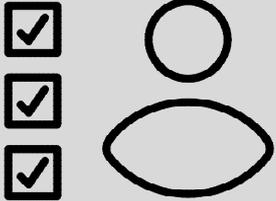
Existing Statutory Limitations on EZ Scope



Colorado is broken down into a maximum of **16 Statutory Enterprise Zones as defined by C.R.S 39-30 (19 Administrative zones)**. The theoretical maximum population covered by EZs within Colorado is ~2M people.

Only **legal businesses** (under both Federal & state laws) within an Enterprise Zone are eligible to receive any of the eight [EZ Business Tax Credits](#)

EZ Statutory Criteria



Zones are established within county or multi-county regions. They can be expanded or contracted based on admin proposal and must meet one of three criteria:

- 5-year population growth rate below 25% of the state average
- unemployment rate that is 125% or greater than the state average
- per capita income below 75% of the state average

Boundaries are changed by local admin proposal through...

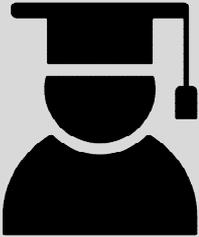
- Option for EZ Admins to propose boundary amendments 1x ea year
- 10 year boundary review mandatorily required by state law

Boundary Designation Stakeholders



- EZ Admins
 - Evaluate & understand their local communities
 - Collaborate & coordinate with elected officials & stakeholders
 - Compile & submit detailed application to OEDIT
- OEDIT
 - Provide eligibility data & tools
 - Design application
 - Reviews applications
 - Ensures proposals meet statutory criteria
 - Ensures proposals meet statutory population limits
- EDC
 - Reviews and approves boundary proposals and amendments

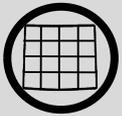
Improved Economic Metrics Cause Areas to Graduate Out of the EZ Program Over Time



- In Denver, LoHi, Ballpark, RiNo, Stapleton, and Lowry have all graduated out of the Denver EZ s.
- In Adams County, through the efforts of the City of Brighton, Adams County Economic Development, Adams County Government, the developer and the partnership with OEDIT in awarding the EZ tax credits, the area was able to be marketed with the goal of infrastructure improvements, creating jobs, and incentivizing capital investment. Today, there is a hospital, hotel, five big box retail establishments, and restaurants, in addition to many ancillary businesses.
- In El Paso County: Old Colorado City, and North Nevada
- In Durango, development of retail and lodging, and technology businesses helped graduate five areas out of the EZ program
- Archuleta county also graduated areas out of the program



Interactive Map



Zones Established



Business in EZ?



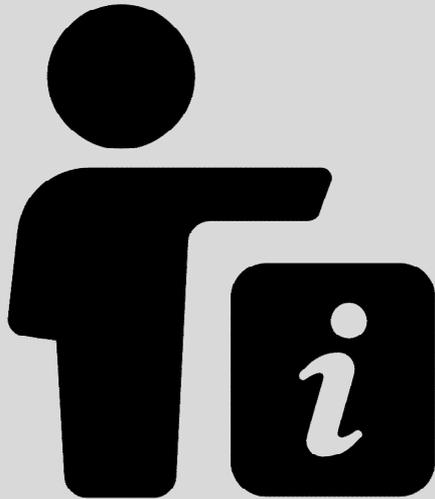
Business Pre-Certifies



Business Certifies



Submits to DOR

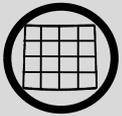


Business confirms their location within an EZ using the [interactive map](#) as the first step to earning a credit.



Pre-Certification

In their pre-cert application, taxpayers must attest that they are aware of the credits and that the credits are a “contributing factor to the start-up, expansion, or relocation of [their] business in the enterprise zone.” This is completed online in OEDIT’s Salesforce portal.



Zones Established



Business in EZ?



Business Pre-Certifies



Business Certifies



Submits to DOR

Pre-Cert Requirement

Businesses are statutorily required to pre-Certify to receive tax credits.

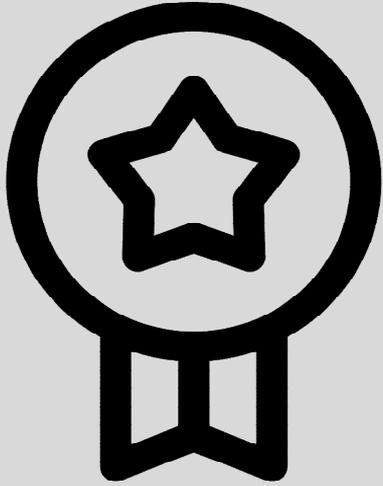
Ideally a business will pre-certify the beginning of their tax year and certify after their tax year and before filing their state income tax return.

C.R.S.39-30-103

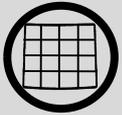
7 (a) ...

In connection with the pre-certification, the taxpayer shall be required to:

- (I) Obtain verification from the enterprise zone administrator that the taxpayer's business is located in an enterprise zone;
- (II) Certify that the taxpayer is aware of the enterprise zone income tax credits allowed pursuant to this article;
- (III) Certify that the enterprise zone income tax credits allowed pursuant to this article are **a contributing factor** to the start-up, expansion, or relocation of the taxpayer's business in the enterprise zone; and
- (IV) Certify that the taxpayer acknowledges that the pre-certification required pursuant to this section is for activities that shall commence after the date that the pre-certification form is executed by the enterprise zone administrator through the end of the business's then-current income tax year.



Certification



Zones Established



Business in EZ?



Business Pre-Certifies

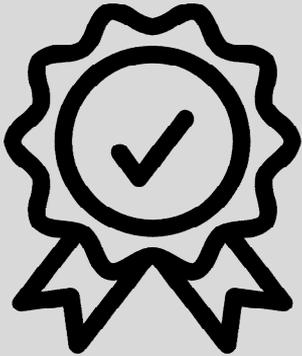


Business Certifies



Submits to DOR

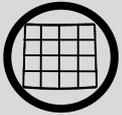
Cert Requirements



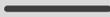
- Must have pre-certified in a tax year to apply for certification or to have credits issue for investments in that tax year
- Only actions taken between pre-certification and end of tax year are eligible for tax credits.
- Must only claim actions taken at the address on pre-certification document.
- Most EZ incentives need certification (except contribution credits, and Sales & Use exemption)
- EZ admins review these certifications, and our online system has checks & balances.



Submit to DOR



Zones Established



Business in EZ?



Business Pre-Certifies

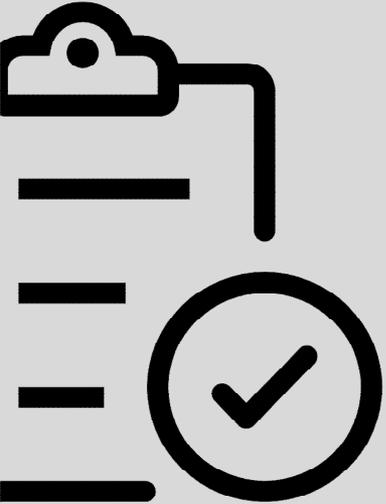


Business Certifies



Submits to DOR 34

DOR Tax Forms



Business submits their OEDIT issued tax credit certificate along with the DR 1366 to the DOR when filing their income tax returns. Below are a list of EZ related forms:

- DR 1366 - Enterprise Zone Credit and Carryforward Schedule
- DR 0078A - Pass-Through Entity Enterprise Zone Credit Distribution Report
- DR 0078 - Application for Extended Enterprise Zone Tax Credits in Terminated Enterprise Zone Area

High Level Process for Business Credits



Zones Established

Zones are established based on ACS 5 yr average

Zone boundaries are determined by either Boundary Amendments or Statewide Review

Key Roles:

Zone Admin: proposes amendments

OEDIT: Ensures proposals are in-line with statutes

EDC: Approves of amendments



Business in EZ?

Taxpayer checks to see if they are in our zone through our [interactive map](#)

Key Roles:

Zone Admin: Assists taxpayers

OEDIT: Implements operation of program;



Business Pre-Certifies

Taxpayer must pre-certify. They should ideally do so before the start of their tax year (up to 3 months before)

Key Roles:

Zone Admin: Assists taxpayers & approves pre-certifications

OEDIT: Implements operation of system; provides statutory guidance



Business Certifies

Taxpayer applies for certification. They will ideally do so when the tax year is complete and when they are preparing their tax return

Key Roles:

Zone Admin: Assists taxpayers & reviews/approves certifications

OEDIT: Implements operation of system; provides guidance



Submits to DOR

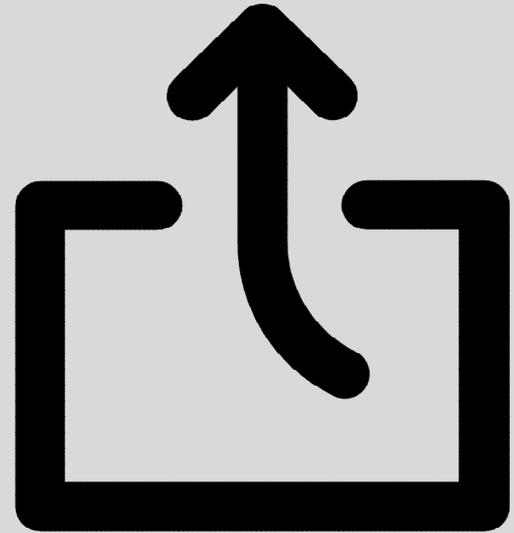
Taxpayer fills out DR1366 tax form and submits the form along with their tax credit certificate to the DOR with their income tax filing

Key Roles:

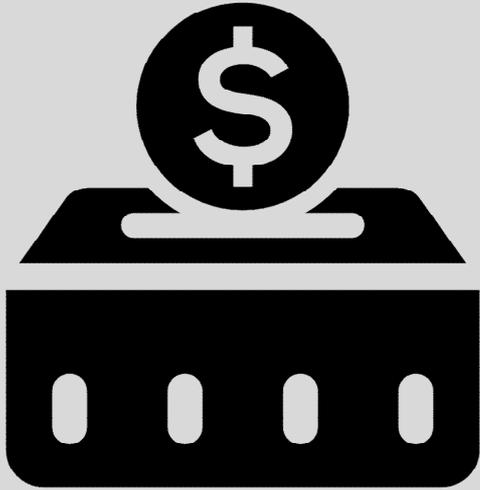
Taxpayer: submits certifications to DOR with state income taxes

DOR: Processes tax credits; Conducts compliance audits

Additional EZ Incentives & Benefits



Contribution Projects



The Contribution Credit allows zone administrators to incentivize community participation and donations to local projects or public private partnership to implement local Economic Development goals.

Contribution projects are viewed as critical fundraising tools by many large, important, and well connected nonprofits in Colorado. Changes to the policies require extensive planning, communication, and stakeholder management.

Projects have a term limit of 5 years

Projects are limited to certifying \$750,000 in tax credits per year

Contributors are limited to a maximum \$100,000 tax credit annually

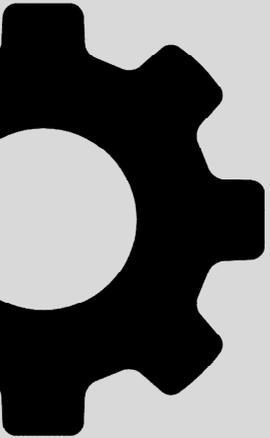
The maximum limit a project can set the minimum donation is \$250

Contribution Projects

Administrators set up “Contribution Projects” with non-profits or government entities within their EZ boundary to help the zone meet local Economic Development goals. The process is outlined below:

1. The EDC approved policy sets parameters for contribution projects
2. EZ Admin defines strategy and seeks out partner organizations
3. Organizations complete an application in conjunction with EZ Admin, submitted through OEDIT’s online portal
4. Application goes through a peer-review process with OEDIT team and EZ admins
5. If approved, EDC approves or denies proposed projects in monthly EDC meetings
6. Contribution projects are evaluated annually by Zone Administrators, and presented to the EDC for recertification for the coming year

Donors contribute to eligible projects and receive a state income tax credit of up to 25% of the donated value. Donors receive a tax certificate and submit it and the DR 1366 with their tax return to the DOR



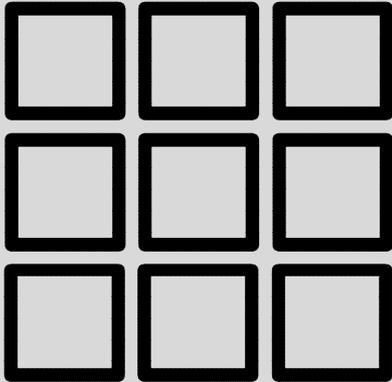
Types of Contribution Projects

Contribution projects must be either of the two types below:

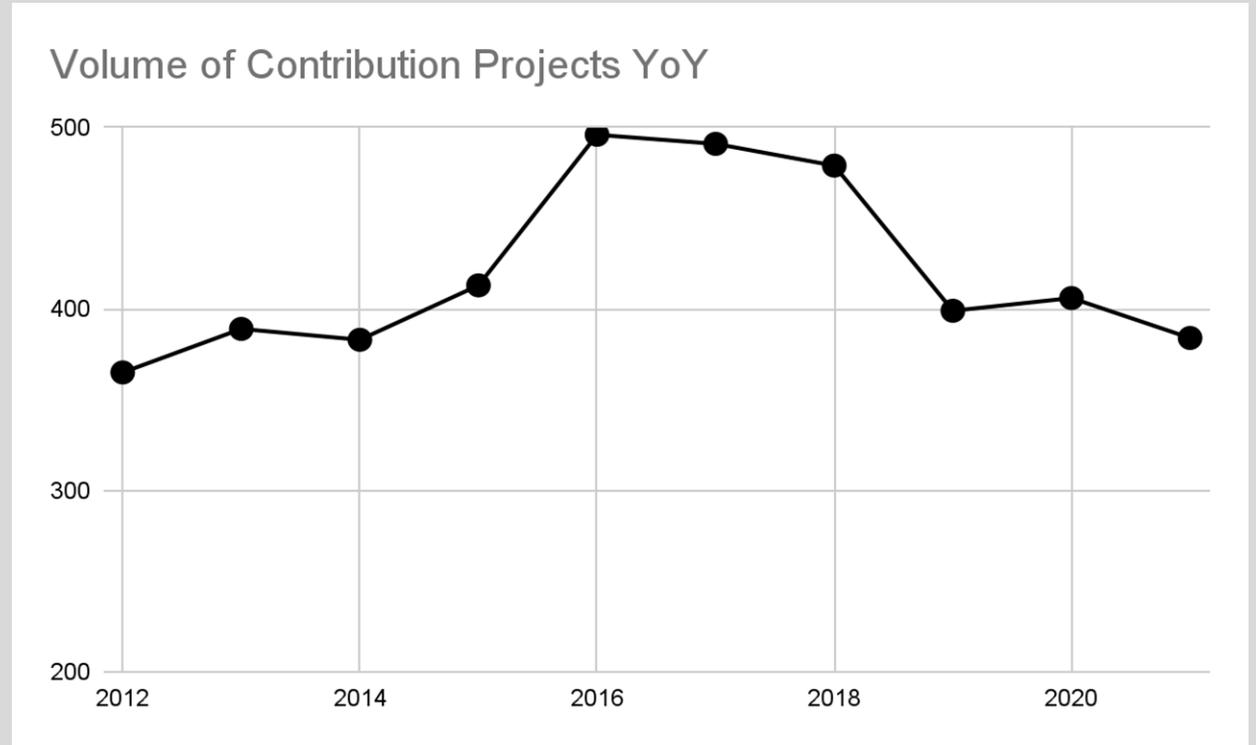
- A **capital campaign project** (A project focused on raising funds for a specific capital project that will serve the broader community, and where construction or implementation will begin within 5 years.
 - Community Facility, Workforce housing, Tourist Attraction, Infrastructure

- An **operations project** (A project that attracts additional resources to activities promoting new economic activity in the zone and to reach a near-term goal.)
 - Business Assistance, Economic Development Organizations, Job Training Programs, Visitor Event/Attraction, Healthcare
 - Homeless Housing and Employment Services

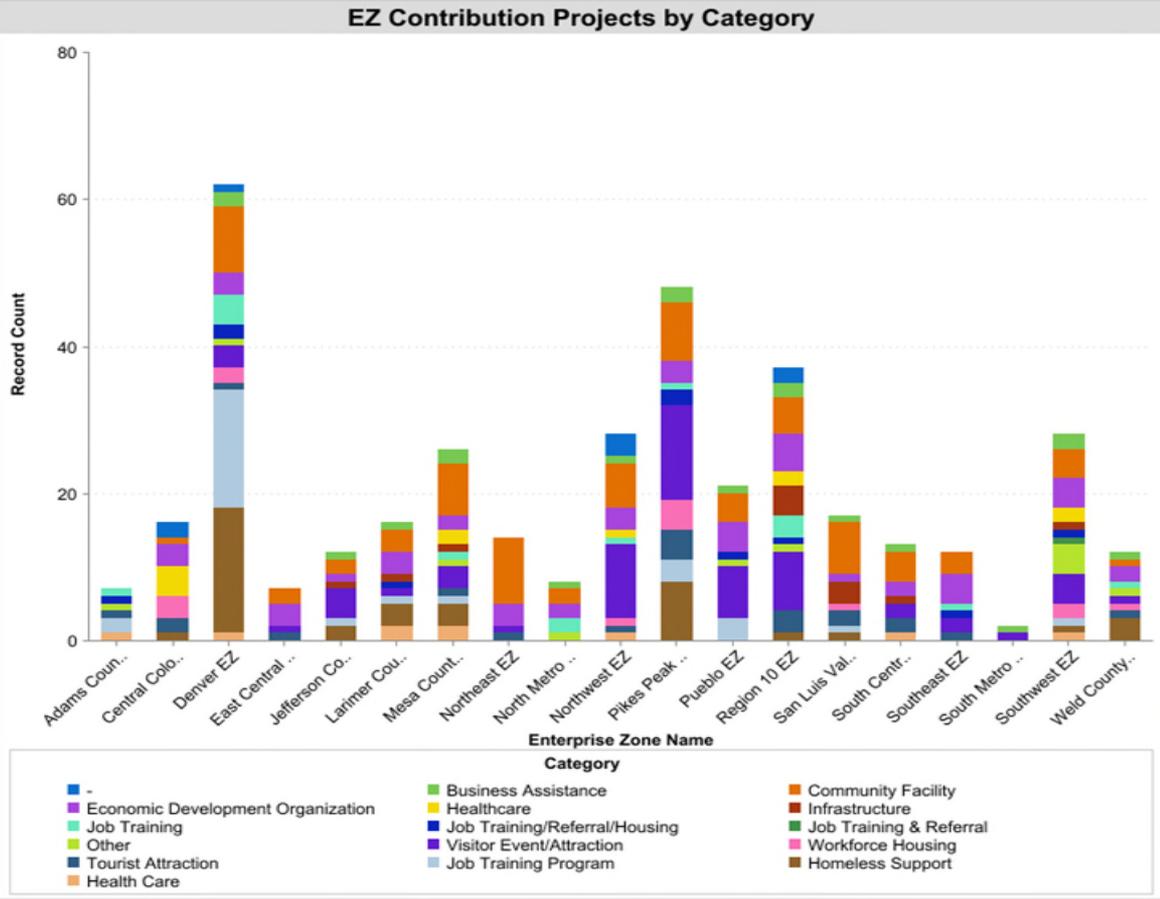
Projects are focused on economic development, not social services



Contribution Project Volumes



Contribution Project Categories





Sales and Use Tax Exemption Manufacturing and Mining, applied to EZ

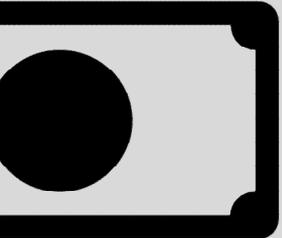
The Sales and Use Tax exemption is a Department of Revenue tax exemption that applies to machinery, machine tools, or their parts used in Colorado. The exemption is expanded **if they are in an Enterprise Zone as explained in the following slide**

EZ Sales Tax Exemption

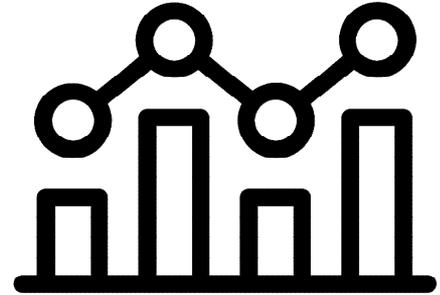
Businesses in a zone have additional sales and use tax exemption benefits. If a business is in an enterprise zone...

- The exemption applies to materials for the construction or repair of machinery or machine tools.
- The exemption is allowed for machinery and machine tools used directly and predominantly in refining, blasting, exploring, mining and mined land reclamation, quarrying for, processing and beneficiation, or otherwise extracting from the earth or from waste or stockpiles or from pits or banks any natural resource.
- The exemption applies whether your business capitalized or expensed the machinery or machine tools.

* To claim this tax credit businesses complete form DR 1191 or DR 1192 and submit to the vendor and to the Colorado Department of Revenue.



Data points



According to 2021 self-reported EZ data, the EZ program helped to incentivize...



\$41,715,422 invested in job training

25,603 employees trained



\$280,074,526 invested in R&D



16,842 new jobs supported



\$5,447,144 invested in rehabilitating vacant buildings



\$1,919,264,333 invested business equipment

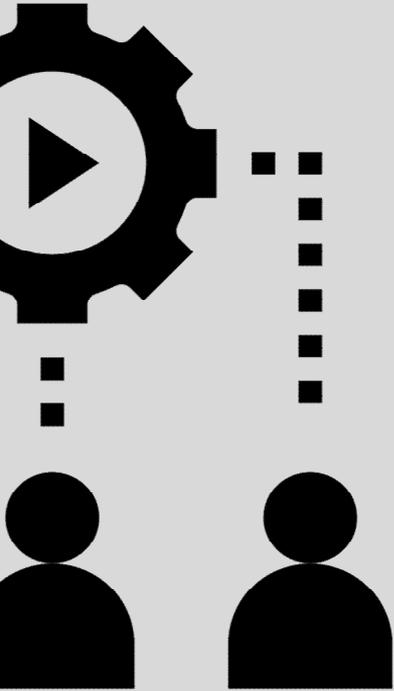
FY2021 Credits Certified

EZ Tax Credit	\$ Credits Certified	% of Total Certified
Investment Tax Credit	\$57,578,013	62.50%
Job Training Credit	\$5,005,858	5.43%
Health Insurance Tax Credit	\$2,561,537	2.78%
New Employee Tax Credits	\$7,414,209	8.05%
Vacant Commercial Building Rehab Credit	\$783,418	.85%
Research & Development Credit	\$2,345,966	2.55%
Commercial Vehicle Tax Credit	\$86,318	.09%
Contribution Project Credits	\$16,352,197	17.75%
Total Credits	\$92,127,516	

OSA Report



Business Tax Credit review by OSA (Jan 2020)



- EZ is meeting the intent to a limited extent
 - “Businesses made substantial investments and hiring, but may have happened regardless of tax expenditures”
- “Although we found that these tax expenditures have likely had a positive impact on the State’s economy, our analysis of several economic indicators showed no measurable difference in the performance of enterprise zones compared to similar areas outside of enterprise zones”

OSA findings: Claimed vs Certified

EXHIBIT 1.16. ENTERPRISE ZONE CREDITS
CLAIMED VS. CERTIFIED
TAX YEARS 2012 THROUGH 2016

	2012	2013	2014	2015	2016	TOTALS
Department of Revenue Claimed (Millions)	\$28.9	\$25.7	\$25.7	\$24.8	\$23.3	\$128.4
OEDIT Certified (Millions)	\$112.9	\$62.2	\$70.0	\$60.2	\$75.0	\$380.3
Difference (Millions)	\$84.0	\$36.5	\$44.3	\$35.4	\$51.7	\$251.9
Claimed credits as a percentage of Certified Credits	26%	41%	37%	41%	31%	34%

SOURCE: Office of the State Auditor analysis of OEDIT Data and Department of Revenue data.

Stories from our Admins



Stories from our admins



”EZ tax credits eased the capital costs and incentivized the creation of 10 jobs. More than a place with good beer and food, Raices Brewing is a hub for community and culture.”
Denver EZ

MillerCoors - G150 project was a \$500 million project to upgrade and add to MillerCoors brewing plant in Golden and provided job retention to the nearly 2,000 MillerCoors employees in Jeffco. Being in the EZ was one of the largest factors in this expansion.



“Lincoln County Economic Development Corporation relies heavily on support for their functions. Offering a tax credit to contributors provides a greater incentive to support LCEDC’s purpose and services. This one project is working to bring new businesses and better paying jobs to Lincoln County. Without EZ tax credits, LCEDC would not receive as much support as it does with the tax credits.”
- East Central EZ

Stories from our admins



“South Central had two winning stories during 2020. This year’s South Central winning stories focuses on the impact of the completion of a project that has used EZ credits throughout its development, and an EZ Contribution Project which, through its efforts, had a major impact on potential future economic development in the area.” - South Central EZ

“KSUT Radio in Ignacio, Colorado is one of eight tribal radio stations in the county. When it first started broadcasting in 1976, its headquarters was once the nursing quarters during the Southern Ute Indian Tribes’ Boarding School era. In 2020, the Eddie Box Jr. Media Center was completed including offices for KSUT staff and state-of-the-art studios. The Tribe matched one million dollars of the amount needed and designation as an Enterprise Zone Infrastructure Project helped secure the remaining amount. The new Center opened in October 2019.” - Southwest EZ

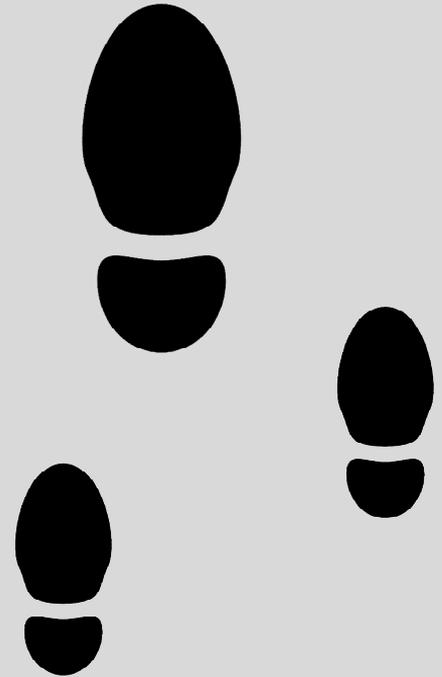


Stories from our admins



Word of the Contribution Project status is traveling around the Colorado Non-Profit network and it is a great joy to speak with new organizations and learn more about what they are doing to contribute to economic development in NWEZ. We are contacted frequently by these organizations that heard about the program from a board member or fellow Non-profit. The Contribution Project program continues to show us every year that it is working to assist our local Non-profit organizations to expand their economic impact within our region. Northwest EZ

Suggested Next Steps



OEDIT suggests the task force...



[Consult EZ Admins](#) for their input



Engage with EDC. Commissioners below have expressed interest in representing EZ

[Benita Duran](#)

[David Dragoo](#)



Review OSA reports

Consider suggested changes with caution.
Understand the consequences and impact on stakeholders

Additional Info

The Below Slides provide additional information on each EZ
credit for further research

EZ Business Credits



The EZ Tax guide has further details on each credit

EZ New Employee Tax Credit

\$1,100 / net new employee + Stackable Credits



Businesses receive an \$1,100 tax credit per net new employee



Can also qualify for these stackable credits:

-  Agricultural Processing or Manufacturing New Employee Credit (\$500)
-  Enhanced Rural Agricultural Processor New Employee Credit (\$500)
-  Enhanced Rural Enterprise Zone New Employee Credit (\$2,000)



Example: If a business has 10 net new employees AND they are involved in agricultural processing AND in an enhanced rural enterprise zone, they can potentially receive \$4,100 per net new employee or \$41,000 in tax credits

EZ Employer-Sponsored Health Insurance Tax Credit



\$1,000 tax credit per net new employee



Businesses receive an \$1,000 tax credit per net new employee for health insurance costs

Must be at least 1:1 match

Can only receive this credit for the first 2 years in business in the enterprise zone



EZ Investment Tax Credit

3% of investment



Businesses earn a state income tax credit for 3% of the amount invested in business personal property

Investments must generally be “Tangible Goods”
In general things that a business can take with them when they move

**EZ Commercial Vehicle Investment Tax Credit



1.5% of investment

Qualifications



- Investment must be:
a commercial truck, truck tractor,
tractor, semi trailer, or associated parts
- purchased as new on or after July 1, 2011
model year 2010 or later
- gross vehicle weight rating of 54,000+ lbs
- designated as Class A personal property
per C.R.S. 42-3-106(2)(a)
- licensed and registered in Colorado
- predominantly housed and based in the
enterprise zone for 12 months after
purchase

How to Apply



To apply businesses must submit two documents
via mail or email to OEDIT

[CVITC Part A](#) - Within 12 months of investment

[CVITC Part B](#) - Within 12-14 months of
investment



EZ Job Training Tax Credit

12% of training expenses

To qualify for this tax credit, your training program needs to:

- be a structured training or basic education program
- conducted on-site or off-site by the taxpayer or another entity
- improve the job skills of your employees, who need to work primarily in an enterprise zone
- Be an eligible expenses



EZ Job Training Tax Credit

12% of training expenses

Eligible expenses include:

- expensed equipment
- Equipment
- Supplies
- training staff wages or fees
- training contract costs
- temporary space rental
- travel expenses
- real property and capital equipment used primarily for qualified job training program purposes or to make a training site accessible
- space lease costs

Non-Eligible expenses include:

- employee wages
- on-the-job training
- costs for training employees who your business leases

EZ Research & Development Tax Credit



3% in increase of R&D expenses

Research needs to be technological in nature, be useful for developing a new or improved product or component of the business, use experimentation

In-house research expenses may include:

- wages, excluding fringe benefits
- Supplies
- payments for the right to use computers
- Contract research expenses may include the amount paid for research done by a third-party for the benefit of the contracting firm. Third-party research needs to be performed in an enterprise zone

Ineligible expenses include:

- land or improvements to land
- depreciable equipment
- management surveys
- costs to adapt a product to a particular customer's needs
- research funded by any government entity

EZ Vacant Commercial Building Rehabilitation Tax Credit

(25% Rehabilitation Costs)



A Qualified building is a contiguous commercial building located in an enterprise zone that is

- at least 20 years old
- and has been unoccupied for at least two years before remodeling begins.
- Limited to \$50,000 in tax credits