



COLORADO ENTERPRISE ZONE BUSINESS INFORMATION SHEET

IS YOUR BUSINESS ELIGIBLE FOR STATE ENTERPRISE ZONE INCOME TAX CREDITS?

The majority of Northglenn Businesses are located within the Colorado Enterprise Zone (EZ). The EZ program provides tax incentives to encourage businesses to locate and expand in designated economically distressed areas of the state. These are actual “credits” that reduce the bottom line of the businesses income tax liability. There are ten EZ credits that are available through the Colorado Department of Revenue which listed below. For additional information about the program and the individual credits visit www.advancecolorado.com/ez.

IMPORTANT: All businesses are required to pre-certify if they intend to earn credits prior to any expenditure to guarantee tax credit eligibility at year end. To pre-certify go to www.advancecolorado.com/ez.

TAX CREDIT	CREDIT AMOUNT
Investment Tax Credit	3% of equipment purchases
Job Training Tax Credit	10% of qualified training expenses (12% effective 1/2014)
New Business Facility (NBF) Jobs Credit	\$500 per new job (\$1,100 effective 1/2014)
NBF Ag Processing Jobs Credit	\$1,000 total per new job
NBF Health Insurance Credit	\$200 x 2 years per new job (\$1,000 effective 1/2014)
R&D Increase Tax Credit	3% of increased R&D expenditures
Vacant Building Rehabilitation Tax Credit	25% of rehabilitation expenditures
Manufacturing / Mining Sales and Use Tax Exemption	Expanded S&U tax exemption in EZ
Commercial Vehicle Investment Tax Credit (CVITC)	1.5% of commercial vehicle purchases
Contribution Tax Credit	25% of cash (12.5% in-kind) donations

Enterprise Zone Eligibility Questions

Below is a list of common EZ questions.

Is my company eligible for EZ tax credits? If you answer "YES" to any of the following questions, you may be eligible for EZ Credits.

1. *Is my business located in the EZ?*
2. *Are you a new or expanding business in Colorado?*
3. *Have you purchased equipment used in your business?*
4. *If you are an existing business that is expanding, will you be doing any of the following:*
 - a. *Increasing employment by 10%?*
 - b. *Increasing employment by 10 total jobs?*
 - c. *Investing over \$1 million in your business?*
 - d. *Doubling the investment in your original facility?*

Is my business in the Enterprise Zone? The majority of Northglenn businesses are located in the EZ boundaries. The original zone was incorporated in July 1998, and it was expanded to include additional Northglenn businesses in February 2011. Visit www.northglenn.org/files/NorthglennEZ_1.pdf to determine if your business is in the EZ.

NBF Credit - Do I have to be a new business to qualify for the New Business Facility (NBF) credits? No. An existing business can qualify as a NBF if it qualifies as an expansion or replacement facility; or if there is an increase of 10% or ten or more employees hired during the twelve months immediately prior to the expansion.

NBF Jobs Credit - Have you hired any employees? If you qualify as an NBF you may be eligible for a \$500 credit for each new job. *Effective as of January 1, 2014 this will be increased to 1,100.*

NBF Health Insurance Credit - Do you provide 50%+ of your employees' health care benefits? If you qualify as an NBF you may be eligible for a \$200 credit per job for two years. *Effective January 1, 2014 this will increase to \$1,000 per employee.*

Investment Tax Credit - Have You Bought Any Equipment/Capital Investments? You may be eligible for a 3% credit on the capital investment.

Job Training Credit - Have you provided training for your employees? You may be eligible for a 10% credit of their training costs. *Effective January 1, 2014 this will increase to 12%.*

Commercial Vehicle Credit - Have you purchased a new commercial vehicle (54,000+ lbs weight) for your business? You may qualify for a 1.5% tax credit if the vehicle is sold as new on/or after July 1, 2011; 2010 model year or later; gross vehicle weight rating of 54,000+ lbs; Designated Class A personal property; and is licensed and registered in Colorado.

R&D – Is your company doing research and development? A 3% credit may be available based on the increase of your company's research and experimental expenditures over the average of the previous two income tax years.

Is it difficult to file for these credits? No. Generally there is only one Department of Revenue form (DR0074, DR0076 and/or DR0077) that needs to be filled out to claim these credits. Then that form is certified by the EZ administrator and attached to your income tax form. **All business are required to pre-certify if they intend to earn a credits prior to any expenditure to guarantee tax credit eligibility at year end.** You can go online at www.advancecolorado.com/ez to pre-certify

What if I qualify for credits but have not filed for them in previous years? Depending on the credit you may be able to carry over and/or forward credit(s) for a determined period.

For more information on the Enterprise Zone please visit www.advancecolorado.com/ez or contact Erin Beckstein, Adams County Enterprise Zone Administrator – ebeckstein@adamscoutyed.com