

## **Income Tax - Enterprise Zone ITC**

*Can a company acquiring existing equipment from another company qualify for the enterprise zone investment tax credit?*

Yes, it can claim the enterprise zone investment tax credit on the first \$150,000 in purchases of qualified used equipment. It does not matter whether the seller of the equipment previously took the credit when they purchased it.

This assumes that the two companies are not "related taxpayers" and that the purchase is of the asset and not a stock purchase of another corporation. In this case, there is not a valid acquisition of qualified property and no credit would be allowed.