Enterprise Zone Overview

Pre-Certification Required Annually at www.AdvanceColorado.com/EZ

Are you IN the Enterprise Zone?
- Search the Office of Economic Development and International Trade website to determine if your address or parcel number is in the Enterprise Zone. www.advancecolorado.com/ez

What is the Enterprise Zone?
- A State funded program which encourages business in economically challenged areas.
- The State gives tax credits to businesses that are in these economically challenged areas (Enterprise Zones) for things like job creation and capital investment.

Main Message
- Annual pre-certification required prior to any expenditure to guarantee tax credit eligibility at year-end
- EZ tax credits can have a significant impact ($1,000-$500,000)
- Filing online for these tax credits is relatively easy (approximately 2-page form)
- ACED is here to assist any business that needs help with the process

Major Benefits
- Investment Tax Credit (3%) - This is the most widely used tax credit. It essentially allows businesses in the EZ to receive a credit against their state income tax of 3% of their capital investment in equipment. This is available to all businesses in the EZ.
- Training Credit (12%) - This allows businesses that make significant investment in human capital to recover 12% of their training program costs as an income tax credit. This is available to all businesses in the EZ.
- New Job Credit ($1,100 per Job) - If a business creates a “new job” in the EZ then it could be eligible to take advantage of this credit. (Existing jobs transferred from another Colorado location are not eligible).
- Health Insurance Credit ($1,000 per Job) - If the employer pays more than 50% of the employees’ health care benefits, there is an extra $1,000 that can be claimed for the first two full income tax years while located in the Enterprise Zone, in addition to the new job credit.
- Vacant Building Rehabilitation Credits – 25% credit for hard costs associated with rehabbing a building that has been vacant for at least 2 years and is at least 20 years old.
- R & D credits – 3% credit for increased investment in research and development. Must be technological in nature, utilize processes of experimentation and useful in the development of new products or services. In house or contract research qualifies.
- Commercial Vehicle Investment Tax Credit – 1.5% of commercial vehicle purchase. (CVITC Application)
- Manufacturing Sales Tax Exemption – There is a state-wide sales tax exemption for companies purchasing manufacturing equipment. Benefits for EZ companies are expanded- can include expensed items, materials used to repair equipment and mining equipment.

For more information please contact:
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