



South Metro Colorado Enterprise Zone - Business Information Handout

The Enterprise Zone (EZ) program provides tax incentives to promote a business-friendly environment in economically distressed areas by offering state income tax credits to businesses that locate and expand in designated economically distressed areas of the state. These credits are available through the Colorado Department of Revenue and are listed below. For additional information about the program and the individual credits, visit: www.choosecolorado.com/ez.

Business Income Tax Credits	Credit Amount	FYI*
Investment Tax Credit (ITC) <i>Tax credit for equipment purchases.</i> <i>*Special rules for renewable energy equipment: http://choosecolorado.com/doing-business/incentives-financing/ez/renewable-energy-equipment/</i>	3% of equipment purchases	Income 11
Job Training Tax Credit <i>Companies that implement a qualified job training program for enterprise zone employees may claim an income tax credit.</i>	12% of eligible job-training costs.	Income 31
New Employee Credit <i>Tax credit per new job.</i>	\$1,100 per new job.	Income 10
Agricultural Processing New Employee Credit <i>A tax credit per new business facility employee may be claimed by business adding value to agricultural commodities through manufacturing or processing.</i>	\$500 per new employee.	Income 10
Enhanced Rural Enterprise Zone New Employee Credit <i>A tax credit per new job for new businesses in the enterprise zone.</i>	\$2,000 per new job.	Income 10
Enhanced Agricultural Processor New Employee Credit <i>A tax credit per new employee, if the business is an agricultural manufacturing or processing business.</i>	\$500 per new employee.	Income 10
Employer Sponsored Health Insurance Credit <i>A tax credit per insured job, available for the first two years in state enterprise zones.</i>	\$1,000 per insured job.	Income 10
Research and Development Tax Credit <i>A tax credit based on the increase of a company's research and development expenditures within an enterprise zone during the previous two income tax years.</i>	Up to 3% of increased R&D expenditures.	Income 22
Vacant Building Rehabilitation Tax Credit <i>A tax credit for owners or tenants rehabilitating buildings that are at least 20 years old, which have been completely vacant for at least 2 year, and will be designated for commercial use.</i>	25% of the rehabilitation cost, up to \$50,000.	Income 24
Commercial Vehicle Investment Tax Credit <i>A tax credit on commercial trucks, truck tractors, tractors, or semitrailers, as well as associated parts. Learn more: http://choosecolorado.com/sites/default/files/Assets/IncentivesFinance/Documents/ColoradoEnterpriseZoneCVITCFactsheet7.11.pdf</i>	Up to 1.5%.	Income 11

*FYIs are Department of Revenue publications explaining the tax credits.

Additional EZ Incentives	Credit Amount	FYI*
Contribution Projects <i>Encourage community participation and public-private partnerships to revitalize EZs. Colorado taxpayers may earn Colorado income tax credits by contributing to targeted efforts. Learn more: http://choosecolorado.com/doing-business/incentives-financing/ez/enterprise-zone-contribution-projects/</i>	See website.	Income 23
Manufacturing/Mining Sales and Use Tax Exemption	Expanded S&U tax exemption.	Sales 10 & 69

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Eligibility Rules

Only taxpayers engaged in business that is legal under both state and federal law are eligible to claim EZ income tax credits. Marijuana-related businesses are not presently legal at the federal level.

Application Process

Each income tax year, a business located in an EZ must apply and be pre-certified prior to beginning an activity to earn any of the business tax credits listed above. At the end of the income tax year, a business must certify that the activities were performed.

Location

The City of Sheridan is located in the South Metro Enterprise Zone. This zone encompasses most of the city, excluding the Fort Logan Northgate School, Sheridan High School, and Colorado Mental Health Institute at Fort Logan. Visit www.choosecolorado.com/ez for a searchable map.

Frequently Asked Questions:

Is my company eligible for EZ tax credits? If you answer “YES” to any of the following questions, then you may be eligible for EZ credit.

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

Is my business in the Enterprise Zone? Please visit the following website:

www.choosecolorado.com/ez. Here you can search your address to find out if your business is in the EZ.

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 credits prior to any expenditure to guarantee tax credit eligibility at year end. You can go online at www.choosecolorado.com/ez to pre-certify.

Do I have to be a new business to qualify for the new business credits? No. An existing business can qualify as a “new business” if it is expanding or replacing its facility; or if there is an increase of 10% or ten or more employees hired during the twelve months immediately prior to the expansion.

- **Have you hired any employees?** If you qualify as a new business, you may be eligible for a \$1,100 credit for each new job – see New Employee Credit on page one.
- **Do you provide 50%+ of your employees’ health care benefits?** If you qualify as a new business, you may be eligible for a \$1,000 credit per job for two years – see Employee Sponsored Health Insurance Credit on page one.

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

Have you provided training for your employees? You may be eligible for a 12% credit of their training costs – see Job Training Credit on page one.

Have you purchased a new commercial vehicle (54,000+ lbs. weight) for your business? You may qualify for up to 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 – see Commercial Vehicle Investment Tax Credit on page one.

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 – see Research and Development Tax Credit on page one.

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.

How do I apply? Electronic filing is required. Go to this website: www.choosecolorado.com/ez.

I’m having technical difficulties, who do I contact? Contact Sonya Guram at the Colorado Department of Revenue at sonya.guram@state.co.us or 303-892-3840.

For more information on the Enterprise Zone, please visit: www.choosecolorado.com/ez or contact Nancy Fenton, South Metro Enterprise Zone Administrator at ez@englewoodgov.org or 303-762-2347.