



# Macoupin County Economic Development Partnership

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## Macoupin County Enterprise Zone

### GUIDELINES

The Macoupin County Enterprise Zone, which covers two square miles, was certified July 1, 1991. The zone includes portions of the cities of Carlinville and Gillespie and unincorporated Macoupin County.

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### JOB TAX CREDIT

The Enterprise Zone Jobs Tax Credit offers employers a tax credit on their Illinois income taxes for hiring employees who are certified as economically disadvantaged individuals. An employer who conducts business in an enterprise zone is allowed a credit of \$500.00 per eligible employee hired to work in the zone during the taxable year.

To qualify for the credit: A minimum of five (5) eligible employees must be hired in a zone during the taxable year. An employee must be certified by a substate Grantee(SSG) or Service Delivery Area Administrative Entity (SDA) as an economically disadvantaged individual. The employee must be employed at least 180 consecutive days for 30 or more hours per week.

An employer should list job openings with the local SSG or SDA, noting that the business is located within an enterprise zone and specify that the business seeks to hire certified economically disadvantaged individuals. If employers have job applicants who have not been referred by DWC or SDA, they should first refer them to the local SSG or SDA office to determine if they are eligible. Eligible individuals will be issued a Jobs Tax Credit Certification Voucher to present to prospective employers. When a person is hired, the employer keeps a copy of the voucher for tax records. That's all the paperwork required.

### FINANCIAL INSTITUTION ADVANTAGES

The Illinois Income Tax Act 35 ILCS5/203 provides that financial institutions in Illinois, such as banks and savings and loans, are eligible for a special deduction from their Illinois Corporate Income Tax Return. Such institutions may deduct from their taxable income an amount equal to the interest earned on loans or portions of loans secured by property which is eligible for the enterprise zone investment tax credit.

### PROPERTY TAX INCENTIVES

The Revenue Act 35 ILCS200/18-170, as amended provides that any taxing district may order the County Clerk to abate (to give up) any portion of its taxes on real property, or on any particular class thereof, located within a zone and upon which new improvements have been constructed or upon which existing improvements have been renovated or rehabilitated.

The abatement applies only to taxes on the increase in assessed value attributable to the new construction, renovation or rehabilitation. Taxes based on the assessed value of land and existing improvements continue to be extended and collected.

The multiplier or equalization factor is the application of a percentage increase or decrease, generated by the Illinois Department of Revenue, in order to adjust assessment levels in various counties to the same percentage of full value. Multipliers are not effected by the enterprise zone property tax abatement provision or by county assessment reductions.

**Property tax abatement periods are as follows:**

100% for the first five years.  
80% for the sixth year.  
60% for the seventh year.  
40% for the eighth year.  
20% for the ninth year.  
Fully taxable the tenth year.

**SALES TAX DEDUCTIONS**

The Macoupin County Enterprise Zone Retailers' Occupation Tax, as amended provides that: "Each retailer in Illinois who makes a sale of building materials to be incorporated into real estate in the Macoupin County Enterprise Zone, as supplemented and amended, by remodeling, rehabilitation or new construction, may deduct receipts from such sales when calculating the tax imposed by the State of Illinois under and pursuant to the Retailers' Occupation Tax Act (35ILCS 120/1) the deduction allowed hereby shall be limited to and shall only apply to any remodeling, rehabilitation or new construction of any qualified commercial, industrial or manufacturing building for which a certification of eligibility qualifying the construction has been issued by the enterprise zone administrator.

A retailer who makes a sale of building materials to be incorporated into the enterprise zone may offer a point of sale exemption of the sales tax and deduct the receipts from those sales on the retailers sales tax return.

The purchaser must give the retailer a signed certificate of eligibility for building materials sales tax exemption form providing the address of the property and attesting that the materials purchased will be incorporated into that property only.

Building materials that are eligible for the enterprise zone sales tax deduction include items that are permanently affixed to real property such as lumber, mortar, glued-down carpets, paint, wallpaper and similar affixed items.