



MADISON COUNTY COMMUNITY DEVELOPMENT DEPARTMENT

Fact Sheet

Madison County Discovery Enterprise Zone

A contiguous area of portions of unincorporated Madison County and the municipalities of Collinsville, Glen Carbon, Highland, St. Jacob, Maryville, and Troy were designated as an Illinois Enterprise Zone area on January 1, 2016. As a result of this designation, these local units of government are able to offer the following special state and local incentives to promote and encourage economic development within the Madison County Discovery Enterprise Zone.

Sales Tax Exemption

A sales tax exemption on building materials used to improve and/or renovate real property for qualified commercial, industrial or manufacturing projects within the Enterprise Zone is available to individuals and businesses that purchase their building materials from Illinois retailers or suppliers. To receive this sales tax exemption, contractors or businesses must provide retailers "Purchaser Statements" that identify their renovation or improvement projects as being within the Zone and a certification from the Madison County Discovery Enterprise Zone Administrator that the proposed project is located within the Zone and is eligible to receive the Sales Tax Exemption. The Zone Administrator processes the certificates in conjunction with the Illinois Department of Revenue who issues them through emails.

Investment Tax Credit

A state investment tax credit of 0.5 percent is allowed a taxpayer who invests in qualified property in a zone. Qualified property includes machinery, equipment, and buildings. The credit may be carried forward for up to five years. This credit is in addition to the regular .5 percent investment tax credit which is available throughout the state as well as a .5 percent credit for taxpayers that increase their employment in Illinois by one percent over the preceding year.

Machinery and Equipment Exemption

A 6.25 percent state sales tax exemption is available on purchases of tangible personal property to be used or consumed in the manufacturing or assembly process or in the operation of a pollution control facility within an enterprise zone. Eligibility for this exemption is contingent upon a business making a \$5 million investment which causes the creation of 200 full-time equivalent jobs in Illinois or an investment of \$40 million for the retention of 2,000 full-time jobs in Illinois or an investment of \$40 million and retaining 90 percent of the jobs in place on the date of certification. The majority of the jobs created or retained must be located in the enterprise zone in which the investment occurs. A business must make application to and be certified by the Illinois Department of Commerce and Economic Opportunity (DCEO).

The exemption is applicable to the following:

1. Hand tools used to maintain, repair, or operate machinery and equipment

2. Abrasives, acids, polishing compounds, or lubricants used or consumed in the manufacturing or assembly process
3. Manufacturing fuels, coolants, adhesives, solvents, or cleaning compounds used to maintain, repair, or operate machinery and equipment
4. Protective clothing and safety equipment
5. Fuels, chemicals, and catalysts used in the operation of pollution control facilities

Utility Tax Exemption

A state utility tax exemption on gas, electricity, and the Illinois Commerce Commission's administrative charge is available to businesses located in enterprise zones. Eligibility for this exemption is contingent upon a business making a \$5 million investment which causes the creation of 200 full-time equivalent jobs in Illinois or an investment of \$20 million for the retention of 1,000 full-time jobs in Illinois. The majority of the jobs created or retained must be located in the enterprise zone in which the investment occurs.

A business must make application to and be certified by DCEO for the state utility tax exemption.

Additional Business Assistance Programs Businesses that locate or expand their operations within the Madison County Discovery Zone are also eligible to receive financial, training, and general technical assistance from the wide variety of business assistance programs that are designed to encourage businesses to retain, expand, or locate their facilities in Madison County.

For Additional Information Contact:

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