



MADISON COUNTY COMMUNITY DEVELOPMENT DEPARTMENT

Frank Miles, Administrator
FACT SHEET

TITLE: GATEWAY COMMERCE CENTER ENTERPRISE ZONE

BACKGROUND/CONCEPT: A contiguous area of 2.75 square miles in portions of unincorporated Madison County and the municipalities of Edwardsville and Pontoon Beach were designated as an Illinois Enterprise Zone area on September 8, 1997. 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 Gateway Commerce Center Enterprise Zone.

PROPERTY TAX ABATEMENT: Property owners that improve and/or renovate industrial, commercial, or manufacturing property within the Zone and not in a Tax Increment Financing District (TIF) are eligible to receive a ten-year abatement of property taxes on the assessed value of the improvements and/or renovations. The abatement for the first seven years is on 100% of the assessed value of the improvements, 70% of the assessed value in year 8, 40% in year 9, and 10% of the assessed value of the improvements in year 10. To receive this abatement, property owners must obtain building permits and submit Enterprise Zone "Project Information Forms" for their renovation or improvement projects after September 8, 1997.

SALES TAX EXEMPTION: A 6.25 percent sales tax exemption on building materials used to improve and/or renovate real property 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, the individuals or businesses must provide retailers "Purchaser Statements" permits that identify their renovation or improvement projects as being within the Zone and a certification from the Gateway Commerce Center Enterprise Zone Administrator that the proposed project is located within the Zone and is eligible to receive the Sales Tax Exemption.

ENTERPRISE ZONE 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 Community Affairs (DCCA).

The exemption is applicable to the following:

- (a) Hand tools used to maintain, repair, or operate machinery and equipment;
- (b) Abrasives, acids, polishing compounds, or lubricants used or consumed in the manufacturing or assembly process;
- (c) Coolants, adhesives, solvents, or cleaning compounds used to maintain, repair, or operate machinery and equipment;
- (d) Manufacturing fuels;
- (e) Protective clothing and safety equipment; and
- (f) 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 DCCA for the state utility tax exemption.

INVESTMENT TAX CREDIT: A state investment tax credit of .5 percent is allowed a taxpayer that 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.

ADDITIONAL BUSINESS ASSISTANCE PROGRAMS: Businesses that locate or expand their operations within the Gateway Commerce Center Enterprise 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.

STAFF CONTACT: John Herzog 618-296-4396 or Leah Dettmers 618-296-4391

Economic Development Division

Madison County Community Development

130 Hillsboro Avenue

Edwardsville, IL 62025

jjherzog@co.madison.il.us

lddettmers@co.madison.il.us