LOCAL INCENTIVES & RESOURCES

JEFFERSON COUNTY ENTERPRISE ZONES

The Enterprise Zone (EZ) program is designed to promote job creation, business growth and development opportunities in areas of the county targeted for economic stimulation.
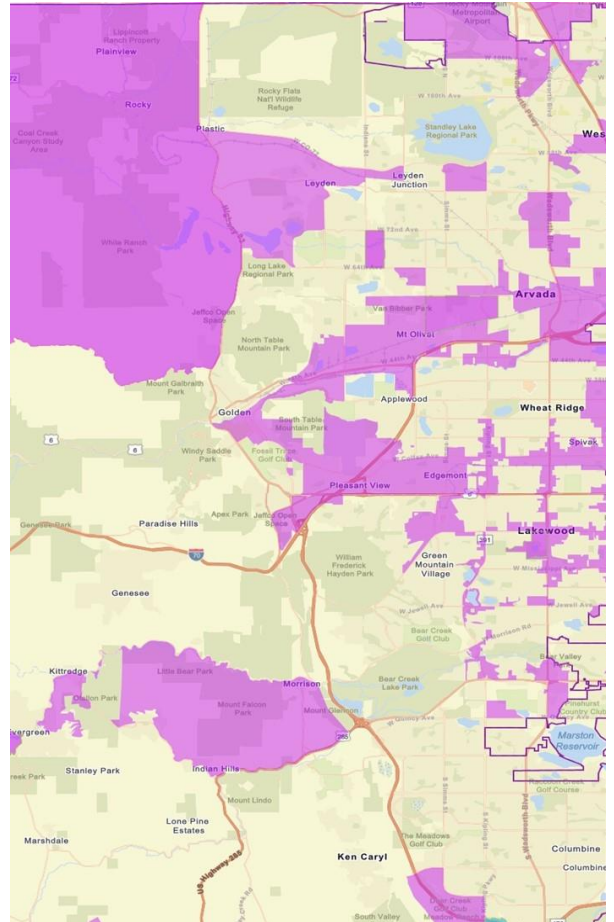
Businesses locating within the Jefferson County Enterprise Zone may be eligible for one or several of the below state income tax credits related to hiring new employees, making investments in equipment, training employees, conducting research and development activities, and much more.

Prior to 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. At the end of the income tax year, a business must Certify that the activities were performed.

Jeffco EDC serves as the Enterprise Zone Administrator for Jefferson County, managing and marketing the   program for the county.

- **Jefferson County EZ**
- **Jefferson County EZ Address Search Database**
- **Business Pre-Certification & Certification**

Application	Yes
Program Admin	Jeffco EDC
Approving Entity	Jeffco EDC & Dept. of Rev.

TAX CREDIT	AMOUNT
Investment Tax Credit	3% of capital investment purchases
New Jobs Credit	$1,100/net new employee
Health Insurance Credit	$1,000/employee first 2 years company in EZ
Job Training Credit	12% of qualified training expenses
R&D Increase Tax Credit	3% of increased R&D expenditures
Vacant Building Rehab Credit	25% of rehabilitation expenditures
Commercial Vehicle Tax Credit	1.5% of commercial vehicle purchases

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Credit Summary:

- **Investment Tax Credit (ITC) -** Businesses can take a 3% investment tax credit against their Colorado income taxes for equipment used exclusively in an enterprise zone (section 38 property as defined by the IRS). Investments that result from an in-state relocation are not eligible for credits.

- **New Jobs Credit** - Businesses hiring new employees located in an EZ may claim a tax credit against state income taxes of $1,100/net new employee. The credit may be taken in subsequent years of the EZ for each additional net new employee above the maximum number employed in any prior tax   year.

- **Health Insurance Credit** - For the first two full income tax years while located in an enterprise zone, taxpayers are allowed a credit of $1,000 for each new employee insured under a health insurance plan or program where at least 50% of the cost must be paid by the employer.

- **Qualified Job Training Program Credits** - Employers who carry out a qualified job training program for the enterprise zone employees, may claim an income tax credit of 12% of their approved training costs.

- **Research and Development Tax Credit** - Taxpayers who make private expenditures on research and experimental activities conducted in an EZ qualify for an income tax credit. This is a 3% state income tax credit for increased expenditures related to R&D and divided over a four-year period.

- **Vacant Building Rehabilitation Credit** -This is a 25% credit on the cost (up to $50,000 per building per year) to rehabilitate a building located in an EZ. The building must be at least 20 years old and have been completely vacant for two years.

- **Commercial Vehicle Investment Tax Credit** - New licensed-Colorado commercial trucks, tractors, or semitrailers, and associated parts are eligible for a state tax credit equal to 1.5% of the investment, if housed and based in an EZ for 12 months following its purchase.

- **Expanded Manufacturing S&U tax exemption for EZ** - For machinery, machine tools, and parts thereof that are used solely and exclusively in an enterprise zone, the qualifying criteria is expanded to   include exemptions on:
  - Materials for the construction or repair of machinery and/or machine tools
  - Machinery and machine tools used in refining, blasting, exploring, mining and mined land reclamation, quarrying for, processing, or otherwise extracting from the earth or from waste or stockpiles or from pits or banks any natural resource
  - Applies regardless of whether the machinery and/or machine tools are capitalized