

ENTERPRISE ZONE PROGRAM

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Promoting Development in Economically Distressed Areas

▶ HELPING BUSINESSES TO UTILIZE AND REHABILITATE ECONOMICALLY DISTRESSED AREAS

Enterprise Zones are designed to stimulate development by targeting economically distressed areas in Iowa. Through state and local tax incentives, businesses and developers are encouraged to make new investments and create or retain jobs in these areas. The goal of the program is to revitalize these areas and make them competitive

with other locations throughout the state. An incentive for housing development may also be available to developers and contractors building or rehabilitating housing in an established enterprise zone. View a map of Iowa counties and cities that have established Enterprise Zones at www.iowalifechanging.com/business/enterprise_zones.aspx.

Eligibility Requirements:

- The business must make a minimum qualifying investment of \$500,000 over a three-year period. Qualifying investment includes the cost of land, buildings, improvements to buildings, manufacturing machinery and equipment, and/or computer hardware.
- The business must create or retain at least 10 full-time, project-related jobs over a three-year period and maintain them for an additional two years.
- The business must provide some level of medical benefits to all full-time employees. Additionally, the business must also provide all full-time employees with a standard medical and dental insurance plan of which the business pays 80 percent of the premiums for employee-only coverage, pays 50 percent of the premiums for family coverage, or provides a monetarily-equivalent benefit package.
- The business must pay new or retained employees a starting wage which is equal to or greater than 90 percent of the average county or regional wage, whichever is lower. Wage thresholds requirements are available at <http://www.iowalifechanging.com/business/wagerates.aspx>.
- The business can not be a retail establishment or a business whose entrance is limited by coverage charge or membership.
- The business can not close or relocate its operation in one area of the state and relocate substantially the same operation in the Enterprise Zone.
- The local Enterprise Zone Commission and IDED must approve the business' application for Enterprise Zone program incentives prior to project initiation.



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An Incentive for Business Expansion

Businesses locating or expanding in an established Enterprise Zone may be eligible to receive certain local and state tax incentives.

- A local property tax exemption of up to 100 percent of the value-added to the property to a period not to exceed 10 years may be available.
- Additional funding for training new employees. If applicable, these funds would be in addition to those authorized under the Iowa New Jobs Training Program.
- A refund of state sales, service, or use taxes paid to contractors or subcontractors during construction.
- For distribution center projects, a refund of sales and use taxes paid on racks, shelving, and conveyor equipment.
- An investment tax credit of up to a maximum of 10 percent of the qualifying investment, amortized over 5 years. This tax credit is

earned when the corresponding asset is placed in service and can be carried forward for up to seven additional years or until depleted, whichever occurs first.

- The State's refundable research activities credit may be doubled while the business is participating in the program.

Individual Enterprise Zones may have additional requirements. Contact the Iowa Department of Economic Development along with relevant local organizations to determine eligibility. Businesses locating or expanding in an Enterprise Zone may apply for benefits by completing an application (download available below). Local Enterprise Zone Commissions review applications and, upon approval, forward them to the Iowa Department of Economic Development for final approval. Access the Financial Assistance Application Process at <http://www.iowalifechanging.com/applications/bus-dev/default.aspx>.



For more information on these and other programs, contact the Iowa Department of Economic Development (IDED)
1.800.245.IOWA +1.515.725.3100 www.iowalifechanging.com