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## Tax Intelligence

### Enterprise Zone Programs

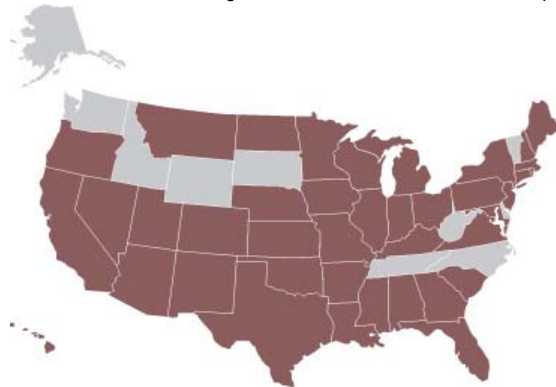
#### Situation

Enterprise Zones are targeted areas that have been designated by state or local governments as blighted or economically depressed. Forty of the fifty states have designated such zones to spur economic development in an effort to attract and retain businesses within the zone boundaries.

#### Solution

States have enacted Enterprise Zone programs to provide tax credits and incentives for businesses to locate, make investments and hire employees in designated areas. Studies have shown that Enterprise Zone programs have stimulated billions of dollars in new investment and created thousands of new jobs. In addition, the programs have reduced the burden on state and local governments to address the economic and social challenges associated with underdeveloped areas.

**Highlighted states have Enterprise Zone Programs that encourage businesses to locate and expand.**



**Forty of the fifty states have designated zones to spur economic development.**

#### Examples include:

**California** has 42 designated Enterprise Zones that allow businesses located within the zone boundaries a state income tax credit for hiring members of targeted groups as well as a sales tax credit for qualified purchases of new equipment. The hiring credit may be claimed over a five-year period in amounts ranging from 50% to 10% of qualified wages, resulting in potential credits of up to \$37,000 per eligible employee. The sales tax credit is available for purchases of up to \$20 million annually.

**Colorado** has 19 Enterprise Zones and sub-zones that allow businesses operating within its boundaries a series of ten tax credits. Some of these include an investment credit of 3% of qualified expenditures, a \$500 credit per new job created, and a 10% credit for qualified training expenses.

**New York** has an Empire Zone Program that provides income tax credits for hiring qualified individuals and investing in qualified property within the designated zones. The wage credit amount is \$1,500 per qualified full-time employee and \$3,000 per targeted full-time employee and is allowable for up to five years. The investment credit is 10% of the cost of qualifying property placed in service in the zone.

#### Value

With use of our proprietary mapping technology, TALX can perform a tax credit opportunity analysis. The analysis will determine if specific locations are within eligible Enterprise Zones. Through our consultative approach, TALX professionals can assist in analyzing potential tax savings and review tax benefits that may exist.

For more information on a tax credit opportunity analysis or to discuss Enterprise Zones, please contact **Pete Krieshok** at (314) 214-7325 or via email at [pkrieshok@talx.com](mailto:pkrieshok@talx.com).