



City of LaSalle

La Salle County, Illinois

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Enterprise Zone Program

Description

The Upper Illinois River Valley Development Authority (UIRVDA) administers the UIRVDA Enterprise Zone (UVEZ). The Enterprise Zone Program is designed to provide state tax credits and exemptions as incentives to encourage businesses to make a new investment on property within the Zone.

Eligibility

- A business must be located in the designated territory of the UVEZ in order to receive benefits. In May 2017, the UVEZ was initially designated in LaSalle and Kendall Counties. This territory can be expanded to any property in the Illinois counties of Bureau, Grundy, Kane, Kendall, Lake, LaSalle, Marshall, McHenry and Putnam.
- Companies wishing to be in the UVEZ must apply to UIRVDA requesting the zone be expanded to include their property before starting and must have a project that creates substantial utility. The approval process generally takes 4-6 weeks dependent upon the complexity of the project. The territory can be up to twelve square miles.

Benefits

- Sales Tax Exemption on Building Materials - A state sales tax exemption is permitted on the purchase of building materials to be used in an Enterprise Zone This is the 6.25% State Sales Tax and any other local sales tax. Materials must be permanently affixed to the property and purchased within the State of Illinois to qualify.
- EZ Investment Tax Credit– A State investment tax credit of one half percent is allowed to a taxpayer who invests in qualified property in an Enterprise Zone. Qualified property includes machinery, equipment and buildings that are both tangible and depreciable under IRS section 167. The credit may be carried forward for up to five years.
- EZ Natural Gas Use Tax Exemption (Wheeling Exemption) – A state natural gas use tax exemption is permitted on the purchase of natural gas from outside of Illinois for use in Illinois at the rate of 2.4 cents per term or 5% of the purchase price for the billing period, whichever is the lower rate.
- Utility Tax Exemption - A State utility tax exemption on the 5.1% natural gas, electricity and the Illinois Commerce Commission's administrative charge and telecommunication excise tax is available to businesses located in enterprise zones. Eligible businesses must make an investment of at least \$5 million in qualified property and create a minimum of 200 full-time-equivalent jobs or retain a certain number of jobs and make a larger investment.
- Consumables Tax Exemption - A State sales tax exemption on all tangible personal property used or consumed within an enterprise zone in the process of manufacturing or assembly of tangible personal property for wholesale or retail sale or lease is available for businesses located in an enterprise zone. Examples include: repair and replacement parts, fuels, supplies for the maintenance, repair or operation, abrasives, acids, lubricants, protective clothing, safety equipment and any fuel used for machinery and equipment. Eligible businesses must make an investment of at least \$5 million in qualified property and create a minimum of 200 full-time-equivalent jobs or retain a certain number of jobs and make a larger investment.

Application

Companies interested should complete a one-page application and submit a non-refundable application fee. There is a zone administration fee paid when certification is issued. The cost of becoming part of the UVEZ is considerably less than the tax benefits you receive.

Contact

For more information please contact Andrew Hamilton, Zone Administrator, Upper Illinois River Valley Development Authority Enterprise Zone (UVEZ), 633 South LaSalle Street, Suite 401, Ottawa, Illinois 61350, Tel: 866-325-7575, Email:

andrewjhamilton@uirvda.com

"The City of LaSalle is an equal opportunity provider and employer"

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