

## Overview

The Arizona Department of Commerce administers the enterprise zone program, which was established by the legislature in 1989. The primary goal of the enterprise zone program is to improve the economies of areas in the state with high poverty or unemployment rates. Enterprise zones are defined by local officials and are designated by the Department of Commerce for a period of up to 5 years. The program provides two kinds of incentives to companies that create jobs and do business within an enterprise zone:

- ▶ New Job Tax Credits and
- ▶ Reduced Property Taxes for Manufacturers

## Getting Started

Determine if your company is in a zone by visiting AZ Department of Commerce website

[www.azcommerce.com/webapps/maproom/ezones.aspx](http://www.azcommerce.com/webapps/maproom/ezones.aspx)

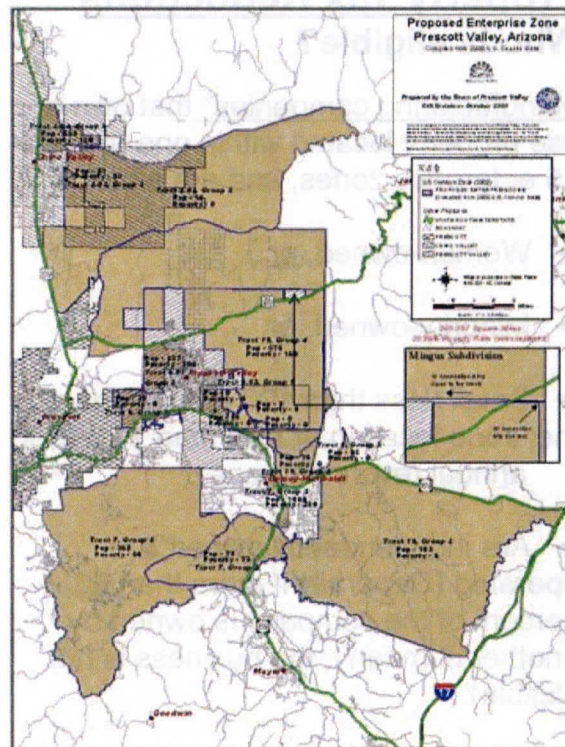
or by contacting your local zone administrator;  
Verify your eligibility for benefits;  
and

Visit AZ commerce website at

<http://www.azcommerce.com/BusAsst/Incentives/Enterprise+Zone.htm> to download forms, local maps and list of administrators throughout Arizona.

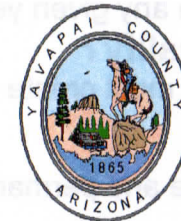
For more information on the Central Yavapai Regional Enterprise Zone program please contact:

Prescott Valley  
Economic Development Foundation  
Enterprise Zone Administrator  
Gary Marks  
7120 E. Pav Way, Suite 106  
Prescott Valley, AZ 86314  
(928) 775-0032  
(928) 759-0829  
**1-888-240-4256**  
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[www.pvedf.com](http://www.pvedf.com)



# Central Yavapai Regional Enterprise Zone Program

## An Incentive Program for Arizona Businesses



## Income/Premium Tax Credits

### Who is eligible?

Any company or insurer located within one of the 25 enterprise zones, with less than 10% retail sales at the zone location (The 10% retail activity is restricted to three categories: 1) product produced at the zone location, 2) promotional products bearing the company's logo, and 3) food sold primarily to employees and their occasional guests for consumption at the location.)

### What are the benefits?

Income/Premium tax credits up to \$3,000 for each new job over a 3-year period, with a maximum of 200 new jobs per taxpayer in any given year.

### How do I qualify?

Your company must create new jobs that:

- ▶ Are full-time and permanent,
- ▶ Pay at least the average enterprise zone wage for the county,
- ▶ Pay at least 50% of health insurance costs for the employee. (Your company may be self-insured but will need to supply proper documentation),
- ▶ Perform work primarily at the zone location, and

- ▶ Have 35 percent of the employees on whom the credit is taken live within the zone on the date of hire.

### When do I apply?

Tax credits must be reported to the Arizona Department of Commerce by the earlier of:

- ▶ 6 months after the end of the tax year or
- ▶ prior to filing your Arizona tax returns.

Tax credits must be claimed with the Arizona Department of Revenue by the due date, with extensions, for the tax year.

## Property Tax Reductions

### Who is eligible?

Manufacturing companies\* that own or use property located within one of the 25 enterprise zones, and are either:

- ▶ Woman-owned, or
- ▶ Minority-owned, or
- ▶ Small (less than 100 employees at the zone location or less than \$4 million annual revenues); and
- ▶ Are independently owned & operated (Generally if more than 50 percent of the company is owned by another company, the business is not eligible).

- Please note: The Arizona Department of Revenue has previously determined the following activities do not qualify as enterprise zone manufacturing: mining, logging, ranching, farming (includes hydroponics), food processing, recycling, construction, smelting, refining, printing, tire re-treading, ice production and concrete production.

### What are the benefits?

Reclassification of real and personal property for 5 years of reduced taxes (about 40% to 60% savings). This reduction applies only to primary property taxes.

### How do I qualify?

Your company must make an investment ranging from \$500,000 to \$2,000,000 (depending on the population) in fixed assets at the zone location. The investment can be aggregated from January 1, 1996 as long as the zone was in place during that time.

### When do I apply?

Property reclassification can be requested after an initial screening by the Arizona Department of Commerce. After eligibility is verified the reports must be submitted by October 1st of each year.