Jackson County Enterprise Zone

A wide range of financial incentives are available to businesses that expand or locate in Jackson County's Enterprise Zone. The Jackson County Enterprise Zone is a broader zone jointly created by the City of Murphysboro, the City of Carbondale, and Jackson County, and authorized by the Illinois Department of Commerce and Economic Opportunity in 2020. Information about, A map of Enterprise Zone is available at:

https://www2.illinois.gov/dceo/ExpandRelocate/Incentives/taxassistance/EZMaps2/Jackson_Coun_98.pdf

Enterprise Zone Incentives

1. Abatement of Property Tax on New Improvements

Property tax on real estate improvements that raise a commercial, industrial or manufacturing property's fair market value by more than $10,000 is abated at the following schedule:

For projects that create fewer than 100 jobs:
  ➢ 100% of property tax on the new improvement is abated for the first five (5) years after project completion
  ➢ 50% of property tax on the improvement is abated for the second five (5) years after project completion

For projects that create 100 jobs or more:
  ➢ 100% of property tax on the new improvement is abated for the first ten (10) years after project completion

(Owners of properties listed on the National Register of Historic Places are eligible for 100% abatement for the first seven years and 50% for the following three years.)

Property tax abatements apply to building renovations, expansions and construction of new buildings.

The property tax abatement provisions do not exempt owners of property in the Enterprise Zone from property tax altogether. The program abates property tax on new improvements, but not abate the tax paid on existing buildings and land. Abatement on an individual property is also limited to the amount of tax attributable to eligible improvements on the property.

Property tax abatement through the Enterprise Zone does not "freeze" an owner's property tax. The tax due on a property during the ten-year abatement schedule will fluctuate based on reassessment and changes in the tax rate.

Property Tax Definitions

Fair Market Value: the amount a willing buyer would pay a willing seller for a given piece of real estate. The fair market value is determined by the Township Tax Assessor to establish the assessed value.

Assessed Value: One-third of a property's fair market value. The total assessed value for a given property has two components--the value of land and the value of improvements.

Improvement: A building or anything else attached to land which cannot be readily removed.

Tax Rate: The formula applied to assessed value to determine the property tax due for a property. The tax rate is often expressed as "$8.64 per $100 of assessed value"

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2. Deduction of Sales Tax for Building Materials

100% of sales tax on materials used for construction or renovation of buildings in the Enterprise Zone can be deducted at the time of purchase. This provision applies to commercial or industrial construction.

The sales tax deduction applies to items that are permanently affixed to real property, such as lumber, mortar, glued-

down carpets, paint, wallpaper and similar affixed items. As a rule of thumb, sales tax on any building materials that would remain with the property if the property were sold is eligible for the deduction.

The deduction does not apply to materials purchased for routine maintenance, repair or upkeep of the property.

The sales tax deduction includes both the local and state portion of sales tax. Any retailer who pays Illinois sales tax can deduct the sales tax, so long as the purchaser provides the retailer with a Certificate of Eligibility for Sales Tax Exemption, which is issued by the City of Carbondale's building inspector.

3. Waiver of Building Permit Fees

City building permit fees on any renovation, expansion or new construction project within the Enterprise Zone are waived. This waiver of fees applies to building, plumbing, electrical, demolition, site plan and zoning certificate fees for permits issued for rehabilitation, expansion or new construction.

Fees charged for permits issued for normal repair or replacement of electrical, plumbing or mechanical systems are not waived. Filing fees for rezoning or special use applications are not waived.

4. State of Illinois Tax Incentives

There are a number of state tax incentives for investment in an Illinois enterprise zone. These incentives are related to income, utility, and sales taxes. The programs are listed below. Detailed information on each program is available (see contacts listed below).

- Enterprise Zone Investment Tax Credit
- Jobs Tax Credit
- Dividend Deduction
- Corporate Contribution Deductions
- Income Tax Deduction for Financial Institutions
- State Utility Tax Exemption
- Manufacturing Machinery and Equipment Sales Tax Exemption

Enterprise Zone Questions & Answers

Q. *Do I have to apply for Enterprise Zone benefits?*

A. To take advantage of the benefits, an owner or developer of property within the Enterprise Zone must simply obtain a building permit (the fee for which is waived) and a "certificate of eligibility" from the City of Carbondale's Building & Neighborhood Services Division if located inside Carbondale city limits.

Q. *Can the boundaries of the Zone be changed to include my property?*

A. There are detailed procedures to amend the boundaries of the Enterprise Zone. The Zone may be extended to incorporate a property if a specific improvement to the property is being considered. Contact the City of Carbondale for detailed information.

Q. *When does the Enterprise Zone expire?*

A. The Zone expires in 2035

Questions about Jackson County's Enterprise Zone? Contact :

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