

## RENAISSANCE ZONE INCOME TAX CREDITS AND EXEMPTIONS - MULTISTATE SURVEY

This memorandum was requested to provide information on the availability of incentives in other states that are similar to renaissance zone income tax credits and exemption provided in North Dakota Century Code Sections 40-63-04, 40-63-06, and 40-63-07. The following table provides an overview of each incentive including the name of the incentive, the agency administering the incentive, a brief description of the incentive, and the statutory citation.

State	Incentive Title	Administering Agency	Description	Statutory Citation
Alabama	Enterprise Zone Program	Alabama Department of Economic and Community Affairs	The Enterprise Zone Program functions to stimulate business and industrial growth in economically depressed areas of Alabama. The program offers both tax exemptions and tax credits. The enterprise zone credit available to employers is up to \$2,500 per permanent new employee and may be applied against income tax liability or business privilege tax liability. A five-year tax exemption is also offered and may be applied to the entity's choice of income tax, sales and use tax, or business privilege tax.	Code of Alabama Sections 41-23-20 through 41-23-32
Colorado	Enterprise Zone Tax Credit	Colorado Office of Economic Development	Various tax credits are available to qualified businesses that locate to or expand in economically distressed areas of Colorado designated as Enterprise Zones. Incentives include an investment tax credit equal to 3 percent of the amount expended to purchase equipment, a commercial vehicle investment tax credit equal to 1.5 percent of the amount expended to purchase a commercial vehicle, a new employee credit equal to \$1,100 per new job created by the business, an agricultural processor new employee credit equal to \$500 per new job created by the business, an employer-sponsored health insurance credit equal to \$1,000 per covered employee, a research and development tax credit equal to 3 percent of the amount of increased research and development expenditures, and a vacant building rehabilitation tax credit equal to 25 percent of the amount incurred for rehabilitation expenditures.	Colorado Revised Statutes Annotated Sections 39-30-101 through 39-30-108
Connecticut	Enterprise Zone Program	Connecticut Department of Economic and Community Development	Manufacturers, distributors, and certain designated service-related businesses that relocate to or expand in designated areas of a Targeted Investment Community may qualify for tax incentives under the Connecticut Enterprise Zone Program. Incentives include a five-year, 80 percent abatement of local property taxes on all qualifying real and personal property, an exemption from real estate conveyance tax, and a credit against the portion of an entity's corporate business tax liability directly attributable to the relocation, expansion, or renovation of a project. The credit may be applied to offset 100 percent of an entity's attributable business tax liability for the first three taxable years and 50 percent for the next seven taxable years.	Connecticut General Statutes Annotated Sections 32-9p, 32-9r, 32-9s, 12-81(59), 12-217e, and 12-217v
Florida	Florida Enterprise Zone Program	Florida Department of Economic Opportunity	The Enterprise Zone Program offers a variety of incentives to businesses that create new jobs within an enterprise zone in Florida. Available incentives include sales tax incentives, corporate income tax incentives, insurance premium tax incentives, and property tax incentives. The program expires on December 31, 2015, but businesses granted an enterprise jobs credit against corporate income	Florida Statutes Annotated Sections 212.096, 220.181, and 220.182

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			tax liability prior to that date may continue to claim the credit, along with any applicable carry-forward periods, under the same terms that existed prior to January 1, 2016. The available credit amount is currently equal to 20 percent of the monthly wages paid to each new employee in a newly created job.	
Georgia	Enterprise Zone Program	Georgia Department of Community Affairs	The Enterprise Zone Program fosters improvements in cities and counties in Georgia that are underdeveloped and experiencing economic decline by incentivizing private businesses to invest in and rehabilitate these areas. Available incentives include property tax exemptions or abatements and reductions in occupation taxes, regulatory fees, building inspection fees, and other fees otherwise imposed on a qualifying business.	Georgia Code Annotated Sections 36-88-8 and 36-88-9
Hawaii	Enterprise Zone Partnership Program	Hawaii Department of Business, Economic Development, and Tourism	The Enterprise Zone Partnership Program is a joint venture between counties and the state aimed at stimulating job creation, job preservation, and certain types of business activity where it is most needed. The program allows an eligible business to reduce its state income and general excise taxes and receive additional county benefits for a period of up to seven years by satisfying certain hiring and gross receipts requirements. An eligible business must operate in one or more of a variety of areas including manufacturing, agricultural production, biotechnology research, wind energy production, and medical research. A business must also employ at least one full-time worker prior to participating in the program and increase its average annual number of full-time employees. An eligible business will qualify for a full exemption from general excise tax for seven consecutive years and an 80 percent reduction in state income tax and annual unemployment insurance premiums for the first year, reduced by 10 percent for each of the following six years.	Hawaii Revised Statutes Annotated Sections 209E-1 through 209E-14
Illinois	Illinois Historic Preservation Tax Credit Program	Illinois Department of Commerce and Economic Opportunity	The Illinois Historic Preservation Tax Credit Program allows an owner of a certified historic structure located within a River Edge Redevelopment Zone to claim a credit against income tax liability in an amount equal to 25 percent of the owner's qualified expenditures for the taxable year.	35 Illinois Compiled Statutes Annotated 5/219
Indiana	Enterprise Zone Program	Indiana Department of Revenue	The Enterprise Zone Program provides community and business redevelopment initiatives to improve the quality of life in designated zones in Indiana. Incentives include property tax abatements and income tax deductions and credits for job creation and capital investment.	Indiana Code Annotated Section 5-28-15
Iowa	Enterprise Zones	Iowa Economic Development Authority	Enterprise Zones in Iowa are targeted towards stimulating development in certain economically distressed areas of the state by incentivizing businesses and developers to create new jobs, build or rehabilitate housing, and make investments in designated areas. To qualify for enterprise zone incentives, an Iowa business or developer must make a capital investment of at least \$500,000 over a three-year period; create or retain at least 10 full-time, project-related jobs over a	Iowa Code Annotated Section 15E.192

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			<p>three-year period and maintain those jobs for an additional two years; provide full-time employees with insurance; and pay retained or new employees a starting wage of at least 90 percent of the average or regional county wage, whichever is less. A retail establishment or business charging a cover or membership fee for entry or a business that simply relocates a substantially similar version of its operations from a separate area of the state will not qualify. A variety of state and local tax incentives are available to a business or developer including a local property tax exemption of up to 100 percent of the value added to the property for up to 10 years; a refund of state sales, service, or use taxes paid to contractors or subcontractors during construction; an investment tax credit of up to 10 percent of the business's or developer's qualifying investments, amortized over five years; an increased amount of the refundable credit for research activities; and additional funding for training new employees. A business or developer engaging in a distribution center project may also receive a refund of sales and use taxes paid on racks, shelving, and conveyor equipment.</p>	
Kansas	Rural Opportunity Zones	Kansas Department of Commerce	<p>Kansas Rural Opportunity Zones were formed with the goal of diverting individuals into rural areas of Kansas to help offset dramatic population declines. Rural Opportunity Zones consist of 77 counties that have been authorized to offer one or more incentives to new, full-time residents. Available incentives include a state income tax exemption for up to five years for individuals who move into a zone from outside of the state and student loan forgiveness of up to \$3,000 per year for up to five years. Individuals seeking to claim the income tax exemption must have source income of more than \$10,000 per year over the past five years and must have lived outside of Kansas for the past five years. Individuals seeking to utilize the loan forgiveness program must have graduated from an accredited postsecondary institution.</p>	<p>Kansas Statutes Annotated Sections 74-50,222 and 74-50,223</p>
Louisiana	Enterprise Zone Program	Louisiana Economic Development	<p>The Louisiana Enterprise Zone Program is targeted toward creating net new full-time jobs and filling at least 35 percent of those net new jobs with individuals from one of four targeted groups. Available incentives include income and franchise tax credits for new or existing businesses with the exception of businesses engaged in onsite gaming, video poker, or residential development. A business that creates a minimum of five net new full-time jobs within 24 months of its project start date, or that increases its current statewide workforce by 10 percent within the first 12 months, and fills 35 percent of the net new jobs created with either residents living in a zone, individuals receiving public assistance, individuals performing below a ninth grade proficiency level, or individuals who are unemployable by traditional standards, may qualify for a one-time job tax credit in an amount equal to \$2,500 for each net new job created. A qualifying business may also elect to receive either a 4 percent rebate of sales</p>	<p>Louisiana Statutes Annotated Sections 51:1781 through 51:1791</p>

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			and use taxes paid on qualifying materials, machinery, furniture, and equipment or an investment tax credit equal to 1.5 percent of the business's total capital investments.	
Maryland	Enterprise Zone Tax Credit	Maryland Department of Business and Economic Development	Maryland Enterprise Zones serve to foster job creation and investment in targeted areas of Maryland. Qualified employers located in an Enterprise Zone may claim a one-time \$1,000 credit against income tax liability for each new employee and a \$6,000 credit against income tax liability over a three-year period for each new economically disadvantaged employee. Qualified employers located in an Enterprise Zone Focus Area may claim a one-time \$1,500 credit against income tax liability for each new employee and a \$9,000 credit against income tax liability over a three-year period for each new economically disadvantaged employee.	Maryland Economic Development Code Annotated Sections 5-701 through 5-707
Minnesota	Boarder Cities Enterprise Zone Program	Minnesota Department of Employment and Economic Development	Businesses that are the source of investment, development, and job creation or retention in specified Minnesota border cities are eligible for various incentives. Available incentives include an exemption from general sales tax for purchases of construction materials or equipment for use in a zone, a credit against income tax liability for employing additional workers in a zone in an amount up to \$3,000 per employee per year, an income tax credit for a portion of the cost of debt financing to construct new or expanded facilities in a zone, and a credit for a portion of property taxes paid by a new commercial or industrial facility or the additional property taxes paid due to an expansion of an existing commercial or industrial facility in a zone.	Minnesota Statutes Annotated Sections 469.166 and 469.171
Minnesota	Job Opportunity Building Zones	Minnesota Department of Employment and Economic Development	State and local tax exemptions are provided through the Jobs Opportunity Building Zones program to qualified companies that start up or expand in one of 10 targeted areas of Minnesota. Businesses that locate or expand within a zone may be eligible for corporate franchise tax exemptions, income tax exemptions for operators or investors, sales tax exemptions on goods or services used in the zone, property tax exemptions on commercial and industrial improvements, and wind energy production tax exemptions. Businesses may also qualify for employment tax credits for creating high-paying jobs. In order to qualify, a business must increase employment by a minimum of five jobs or 20 percent, whichever is greater, within the first full year of operation in the zone and must pay each employee at least 110 percent of the federal poverty level for a family of four.	Minnesota Statutes Annotated Section 469.310
Nebraska	Enterprise Zones	Nebraska Department of Economic Development	Nebraska Enterprise Zones consist of areas of the state with declining populations, high unemployment rates, and high poverty levels. Projects located in a zone may receive a preference for certain business incentive and grant programs. Projects may receive a preference for the Jobs Training Cash Fund, the Business Innovation Act, the Affordable Housing Trust Fund, the Site and Building Development Fund, and the Nebraska Advance Microenterprise Tax Credit Act.	Revised Statutes of Nebraska Annotated Sections 13-2102 through 13-2112

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New Hampshire	Economic Revitalization Zone Tax Credits	Department of Resources and Economic Development	Economic Revitalization Zones serve to stimulate economic redevelopment, expand the commercial and industrial base, create new jobs, reduce sprawl, and increase tax revenue by encouraging economic revitalization in designated areas of New Hampshire. A qualifying zone must be an area certified as a brownfield site, an area experiencing a population decrease, or an economically distressed area. Taxpayers located in a zone that create new jobs or expand the state's economic base may receive a credit against business profit tax and business enterprise tax liability in an amount equal to the sum of 4 percent of the actual cost incurred to create or renovate a facility, plus \$800 for each new full-time job created, plus a varying percentage of the salary paid to each new full-time employee based in the amount paid to the employee in relation to the state minimum wage.	New Hampshire Revised Statutes Annotated Sections 162-N:2 through 162-N:7
New Jersey	Urban Enterprise Zone Program	New Jersey Department of Community Affairs	The Urban Enterprise Zone Program serves to incentivize business investment and job creation in designated urban areas of New Jersey. A variety of tax incentives are available to eligible businesses including a range of sales tax reductions and exemptions and the option of claiming a credit against corporate business tax liability in the amount of 8 percent of the amount of qualified investments, or up to a \$1,500 credit for each new permanent full-time employee hired.	New Jersey Statutes Annotated Sections 52:27H-60 through 52:27H-87.1
Oklahoma	Opportunity and Enterprise Zones	Oklahoma Department of Commerce	Opportunity and Enterprise Zones serve to stimulate economic expansion in rural and disadvantaged communities in Oklahoma through the provision of enhanced financial incentives to qualifying businesses. Qualifying businesses are eligible to receive twice the amount of the Investment/New Jobs Tax Credit and are not subject to the annualized average wage requirement in the Standard Quality Jobs Program. Companies qualifying for ad valorem tax exemption may be exempted for up to 6 years rather than 5 years.	Oklahoma Statutes Annotated, Title 62, Sections 690.1 through 690.4
Oregon	Electronic Commerce Enterprise Zones	Oregon Department of Revenue	Electronic Commerce Enterprise Zones serve to encourage the development and expansion of electronic commerce in Oregon. A business receiving a 3- to 5-year property tax abatement may qualify for a credit against income tax liability in an amount equal to 25 percent of the amount invested in capital assets used in electronic commerce operations within a zone. A taxpayer may offset a maximum of \$2 million in income tax liability per taxable year. Any credit amount exceeding a taxpayer's liability may be carried forward for up to five taxable years.	Oregon Revised Statutes Annotated Sections 285C.095 through 285C.100 and 315.507
Pennsylvania	Neighborhood Assistance Enterprise Zone Tax Credit	Pennsylvania Department of Community and Economic Development	The Neighborhood Assistance Enterprise Zone Tax Credit may be used to offset a taxpayer's corporate tax liability and is available to private companies investing in the rehabilitation, expansion, or improvement of buildings or land located in a zone. The amount of the credit is equal to 25 percent of the amount invested, not to exceed \$500,000 in credits per project. Any credit amount exceeding a taxpayer's liability may be carried forward for up to five taxable years	72 Pennsylvania Statutes Annotated Sections 8902-A through 8905-A

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			or sold or transferred to another taxpayer. The amount of credits granted under the program may not exceed \$18 million in any fiscal year.	
Utah	Utah Enterprise Zone Program	Utah Governor's Office of Economic Development	The Enterprise Zone Program in Utah provides income tax incentives to businesses locating to, or expanding in, a designated enterprise zone. An eligible business may claim a tax credit in the amount of \$750 for each new full-time position filled for at least six months, an additional \$500 credit if the position pays at least 125 percent of the county average monthly wage for the respective industry, an additional \$750 credit if the position is in a business which adds value to agricultural commodities through manufacturing or processing, and an additional \$200 credit for two consecutive years for each new position insured under an employer-sponsored health insurance program if the employer pays at least 50 percent of the premium. An eligible business may also receive a credit for cash contributions to a 501(c)(3) private nonprofit corporation engaged primarily in community and economic development. The amount of the credit is equal to 50 percent of the value of the contribution, up to a maximum credit of \$100,000. Credits are also available for a portion of the amount spent to rehabilitate a building that has been vacant for at least two years. The amount of the credit is equal to 25 percent of the first \$200,000 of rehabilitation expenses. An investment tax credit is also available in an amount equal to 10 percent of the first \$250,000, and 5 percent of the next \$1 million, of qualifying investments in a plant, equipment, or other depreciable property. Any credit amount exceeding a taxpayer's liability may be carried forward for up to three taxable years.	Utah Code Annotated Sections 63N-2-302 through 63N-2-305
Wisconsin	Enterprise Zone Tax Credit	Wisconsin Economic Development Corporation	A qualifying business may receive an Enterprise Zone Tax Credit by locating to, or expanding in, an enterprise zone. Income tax credits may be earned for activities related to job creation, job retention, capital investment, employee training, and supply chain purchases from Wisconsin vendors.	Wisconsin Statutes Annotated Sections 71.07, 71.28, 71.47, and 238.399