

DeKalb County Enterprise Zone Description of Incentives and Benefits

State of Illinois Incentives

Qualified commercial and industrial development projects located in the DeKalb County Enterprise Zone would be eligible to receive the following State incentives:

- **Exemption on sales tax paid on building materials** for new construction, expansion or interior buildout; and
- **Investment tax credit** of .5 percent of qualified property.

Additional exemptions are available for industrial companies that make the minimum statutory investment that either creates or retains the necessary number of jobs:

- **Sales tax exemption** on purchases of manufacturing or pollution control equipment;
- **Exemption on the state utility tax** for electricity and natural gas, as well as the
- **Illinois Commerce Commission administrative charge & telecommunication excise tax.**

Local Municipal and County Incentives

Countywide Enterprise Zone Industrial Development Property Tax Abatement - Eligible industrial projects within the boundaries of the DeKalb County Enterprise Zone may qualify for a **5-year local Property Tax Abatement** from participating taxing bodies. This applies to the Genoa, Sycamore, Waterman and Sandwich portions of the Zone.

Under this program, Logistics and Distribution, Industrial/Manufacturing, and Knowledge-Based projects calling for new construction or physical expansion are eligible for the following tax abatement schedule from participating taxing bodies subject to minimum project size, job creation and wage requirements:

- **90% during Year 1 followed by 80/70/60/50% during subsequent years.**

Interstate Competition Market Industrial Development Property Tax Abatement - Industrial projects in within 3½ miles of I-88 – the Interstate Competition Market – may qualify for an extended **10-year Property Tax Abatement** in the City of DeKalb and Town of Cortland.

Under this program, development projects calling for new construction or physical expansion are eligible for the following tax abatement schedule from participating taxing bodies subject to minimum project size, job creation and wage requirements:

- **90% during Year 1 followed by 80/50/50/50/40/30/20/10/0% during subsequent years for Logistics and Distribution Projects;**
- **90% during Year 1 followed by 80/70/60/50/40/30/20/10/0% during subsequent years for Manufacturing Facilities; and**
- **90% during Year 1 followed by 90/80/70/60/40/30/20/10/5% during subsequent years for Knowledge-Based Industries Facilities.**

Qualifications/Requirements – Industrial Development Property Tax Abatement

Countywide Enterprise Zone Industrial Development Property Tax Abatement - Minimum project size, job creation and wage rate qualifications are as follows:

- **Logistics (& Distribution)** projects require construction of a minimum of 10,000 SF and the creation of 20 full-time permanent new jobs for new construction projects; and construction of a minimum of 5,000 SF and 10 full-time permanent new jobs for expansion projects. Logistics companies must pay an average of \$14 per hour as a starting wage with no job paying less than \$11 per hour.
- **Industrial (Manufacturing & Assembly)** projects require construction of a minimum of 10,000 SF and the creation of 20 new full-time permanent jobs for new construction projects; and construction of a minimum of 5,000 SF and 10 full-time permanent new jobs for expansion projects. Industrial companies must pay an average of \$14 per hour as a starting wage with no job paying less than \$11 per hour.
- **Knowledge-Based facilities** (research-oriented projects such as biotechnology, electronics and/or professional services such as engineering architecture, finance and law) require construction of a minimum of 10,000 SF and the creation of one (1) full-time permanent job for every 250 SF of space for new construction projects; and construction of a minimum of 5,000 SF and creation of one (1) full-time permanent job for every 250 SF of space for expansion projects. Knowledge-based companies must pay an average of \$20 per hour as a starting wage with no job paying less than \$11 per hour.

Interstate Competition Market (ICM) Enterprise Zone Industrial Development Property Tax Abatement - Minimum project size, job creation and wage qualifications are as follows:

- **Logistics (& Distribution)** projects require construction of a minimum of 100,000 SF and the creation of 20 full-time permanent new jobs for new construction projects; and construction of a minimum of 50,000 SF and 10 full-time permanent new jobs for expansion projects. Logistics companies must pay an average of \$14 per hour as a starting wage with no job paying less than \$11 per hour.
- **Industrial (Manufacturing & Assembly)** projects require construction of a minimum of 15,000 SF and the creation of 20 new full-time permanent jobs for new construction projects; and construction of a minimum of 7,500 SF and 10 full-time permanent new jobs for expansion projects. Industrial companies must pay an average of \$14 per hour as a starting wage with no job paying less than \$11 per hour.
- **Knowledge-based facilities** (research-oriented projects such as biotechnology, electronics and/or professional services such as engineering architecture, finance and law) require construction of a minimum of 10,000 SF and the creation of one (1) full-time permanent job for every 250 SF of space for new construction projects; and construction of a minimum of 5,000 SF and creation of one (1) full-time permanent job for every 250 SF of space for expansion projects. Knowledge-based companies must pay an average of \$20 per hour as a starting wage with no job paying less than \$11 per hour.

Qualifications – State of Illinois Incentives

Sales Tax Exemption on Building Materials - Items that are permanently affixed to real property such as steel, lumber, plumbing, electrical and HVAC systems, mortar, glued down carpets, paint, wallpaper and similar affixed items.

Investment Tax Credit - Examples of qualified property include buildings, structural components of buildings, elevators, materials, tanks, boilers and major computer installations. Examples of non-qualifying property include: land, inventories, small personal computers, trademarks and other small non-depreciable or intangible assets.

Manufacturing Machinery & Equipment (M, M & E) Sales Tax Exemption - Invest at least \$5 million creates a minimum of 200 FTE jobs, and retains a minimum of 2,000 jobs or 90% of the existing jobs.

Pollution Control Exemption - Creates a minimum of 200 FTE jobs or retains a minimum of 2,000 FTE jobs.

Utility Tax Exemption / Illinois Commerce Commission Administrative Charge & Telecommunication Excise Tax - Create a minimum of 200 FTE jobs and invest at least \$5 million, or retain a minimum of 1,000 jobs and invest at least \$20 million.

Open Market Natural Gas Exemption – Complete and provide “wheeled” or open market gas supplier with Form RG-61 Gas Use Tax Exemption Certificate.

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