



Incentives Sheet

In the Enterprise Zone, for Real Estate Improvement Projects that apply and pay the 0.5% fee:

1. **BMEC (Building Materials Exemption Certificates)**
 - a. In an EZ Project, building materials incorporated into the real estate are sales and use tax free.
2. **Property Tax Abatement**
 - a. Taxable improvements coming from EZ project (but not improvements to land) are abated at 50% for 6 years, for participating taxing districts, beginning first full year of assessment (not allowed in TIF redevelopment areas, but all other incentives are still available in TIFs).

Upon adding capital assets in an Enterprise Zone:

1. **Investment Tax Credit**, 0.5% tax credit on depreciable assets (which can include the above real estate improvements. This is captured on corporate tax returns and is in addition to any other IL Investment Tax Credits. Can carry-forward for 5 additional years.

On purchases of utility natural gas:

1. **Gas Use Tax Exemption**, upon filing of form RG-61 with Nicor or other supplier, the 5% use tax is exempted. (Captured directly from utility, tax is removed from bill.)

On Certain Large-Scale/Significant Projects:

1. In the Enterprise Zone, companies that Illinois DCEO **pre-approves** as making capital investment of greater than \$10 million:
 - a. **EZ Construction Jobs Credit, (New, approx. mid-year 2022)**
 - i. A company income tax credit based on 50% of the IL income tax of construction employees, OR
 - ii. A company income tax credit based on 75% of the IL income tax of construction employees, if in area defined as "underserved".
2. In the Enterprise Zone, companies that apply to Illinois DCEO and DCEO **"Certifies"** as:
 - a. Investing \$5 Million and creating 200 FTE jobs, OR
 - b. Investing \$40 Million and retaining 2000 FTE jobs, OR
 - c. Investing \$40 million and retaining 90% of existing jobs,are granted the **Expanded Manufacturing Machinery and Equipment (M, M, & E) sales-tax exemption** (manufacturing machinery is already exempt from sales tax in Illinois) for purchase of tools used to maintain and repair machinery and equipment and products consumed in manufacturing such as:
 - a. Abrasives, acids, polishing compounds, lubricants, coolants, adhesives, solvents, cleaning compounds, manufacturing fuels, protective safety clothing, pollution control fuels, catalysts & consumable pollutant filtration media
3. In the Enterprise Zone, Companies that apply to Illinois DCEO and DCEO **"Certifies"** as creating 200 FTE jobs OR retaining 1,000 FTE jobs, are granted the **Utility Tax Exemption** that allows
 - a. Exemption from the 5% IL Utility Tax on gas and electricity
 - b. Exemption from the 0.1% ICC telecom admin charge

Contact Zone Administrator Andy Shaw for questions regarding Lee-Ogle Enterprise Zone Incentives at: 815-625-3854 or LeeOgleZone@BlackhawkHills.com

The Lee-Ogle Enterprise Zone was Certified on 1/1/2017 for 15 years thru 12/31/2031.
A Ten-Year Extension is anticipated post-2031.