

Altamont Enterprise Zone

The Altamont Enterprise Zone was established by authority granted by the Illinois Enterprise Zone Act, PA 8201019, as amended, and approval of the Illinois Department of Commerce and Community Affairs, also Illinois Enterprise Zone Program 20 ILCS 655/1 et seq., as amended. There are currently 93 Enterprise Zones located throughout the State of Illinois. Businesses and Residents in the Altamont Enterprise Zone are eligible for numerous tax incentives. They are:

- **TAX EXEMPTIONS**

Sales Tax Exemption 35 ILCS 120/5k, as amended, and the Altamont Rev. Code of Ordinances 12-1-8. ([See Sales Tax Questions & Answers](#))

The City of Altamont authorizes claims for “point of sale” exemptions under Section 5(K) of the Retailer’s Occupation Tax Act by each retailer or vendor whose place of business is located within the State of Illinois. Such sales tax exemptions shall only be authorized in connection with the sale of building materials to be incorporated into real estate within the Altamont Enterprise Zone for rehabilitation, expansion and/or new construction of residential, commercial or industrial projects.

The retailer may grant an exemption of the tax under the Retailer’s Occupation Tax Act in accordance with the provisions of the Illinois Enterprise Zone Act and terms of the City Ordinance. In order to receive the retail sales tax exemption or credit the following criteria must be met:

1. The material must be purchased within the State of Illinois through a legitimate building materials retailer and/or distributor.
2. The building materials must be permanently affixed to real estate located within the Altamont Enterprise Zone.
3. Only industrial or commercial projects which normally require a building permit from the City of Altamont or involve the aggregate purchase of building materials costing \$5,000.00 or more within 12 months of the issuance of a Certificate of Eligibility will be able to receive the credit.
4. Only residential projects which normally require a building permit from the City of Altamont or involve the aggregate purchase of building materials costing \$3,000.00 or more within 12 months of the issuance of the Certificate of Eligibility will be eligible to receive the credit.
5. Evidence of a project’s physical location within the Altamont Enterprise Zone in the form of a “Certificate of Eligibility” provided by the Enterprise Zone Administrator must be presented to the retailer at the time of the building material purchase to implement this incentive.
6. “Certificate of Eligibility” shall be valid for 12 months from the date of issuance. Certificates may be extended for an additional 12 months upon reapplication to the Enterprise Zone Administrator.

• **TAX EXEMPTIONS (CONT.)**

Enterprise Zone Machinery and Equipment/Pollution Control Tax Exemption
35 ILCS 120/1d – 1f.

A state sales tax exemption is available on all purchases of tangible personal property to be used or consumed in the manufacturing or assembly process or in the operation of a pollution control facility. This is contingent upon a business making a \$5 million investment which causes the creation of 200 full time equivalent jobs in an Illinois Enterprise Zone or a \$40 million investment which causes the retention of 2,000 full time jobs in an Illinois Enterprise Zone or an investment of \$40 million which causes a retention of 90% of the existing jobs. A business must make application to DCCA documenting the existing jobs. A business must make application to the DCCA documenting the eligible investment and that the job creation or retention criteria has been met.

Enterprise zone utility tax exemption 220 ILCS 5/9-222.1

A state utility tax exemption on gas, electricity and the ICC administrative charge, as well as, telecommunication excise tax on originating calls. Local units of government may also exempt their taxes on gas, electricity and water. 65 ILCS 5/8-11-2. This is contingent upon a business making a \$5 million investment which causes the creation of 200 full time equivalent jobs in Illinois or a \$175 million investment which causes the creation of 150 full time equivalent jobs since June 16, 1997, or a \$20 million investment which causes the retention of 1,000 full time equivalent jobs in Illinois. A business must make application to DCCA documenting the eligible investment and that the job creation or retention criteria have been met.

• **LOCAL INCENTIVES**

Enterprise Zone Property Tax Abatement 35 ILCS 200/18-170 and Altamont Rev. Code of Ordinances 12-1-6.

The City of Altamont shall provide property tax abatement for projects within the Altamont Enterprise Zone in accordance with the following provisions:

1. **Industrial Projects.** Those projects where the primary use of the project land and building(s) are of a manufacturing, assembling, wholesale or warehouse/distribution nature. Projects meeting this definition are eligible to receive property tax abatement of 100% of the increased assessment amount which would accrue from expansion, rehabilitation or new construction for a 10 year period beginning with the tax year in which the new increased assessment amount would be levied.
2. **Commercial Projects.** The projects where the primary use of the project land and building(s) is of a retail or service nature. Commercial projects shall include nursing homes and multi-family residential developments of 6 units or more. Projects meeting this definition are eligible to receive property tax abatement of 100% of the increased assessment amount which would accrue from expansion or new construction for a 5 year period.

3. **Residential Projects.** Those projects where the primary use of the project land and building(s) is to provide a single-family detached dwelling or a multi-family dwelling of up to 5 attached units. Projects meeting this definition are eligible to receive property tax abatement of 100% of the increased assessment amount which would accrue from expansion, rehabilitation or new construction for a 5 year period.

However, during the abatement period established by the Altamont Enterprise Zone, all the property taxes previously levied on the existing land and building(s) would continue to be paid annually based on the “pre-project” land and building(s) “base” in accordance with the property’s assessed valuation and the applicable tax rates.

Enterprise Zone Investment Tax Credit 35 ILCS 5/201

A state investment credit of .5 percent is allowed for qualified property in a zone. Qualified property includes machinery, equipment and buildings. This credit may be carried forward for up to 5 years. This is in addition to the regular .5 percent investment tax credit throughout the state as well as .5 percent for employers that increase their employment in Illinois by one percent over the preceding year.

Jobs Tax Credit 35 ILCS 5/201

This allows a business a \$500 credit on Illinois income taxes for each job created in the zone for which a certified dislocated or economically disadvantaged individual is hired. The credit may be carried for up to 5 years. A minimum of 5 eligible employees must be hired to qualify for this credit.

Construction Permit Fees Waived Altamont Rev. Code of Ordinances 12-1-7

The City of Altamont waives the amount which would customarily be charged for any and all fees or permits for rehabilitation, expansion or new construction associated with industrial, commercial and/or industrial projects located within the Altamont Enterprise Zone. The provisions of this incentive shall not be construed to provide for the elimination of any permit. All construction related permits shall continue to be required for any project, as has been the case in the past and as may be required in the future Altamont City Council. The waiver of municipal fees normally collected by the City of Altamont shall not include water and sewer tap fee, or connection of electrical service.

- **INCOME TAX DEDUCTIONS**

Dividend Income Deduction 35 ILCS 5/203

Individuals, corporations, trusts and estates are not taxed on dividend income received from corporations doing substantially all their business in a zone.

Interest Deduction 35 ILCS 5/203

Financial institutions are not taxed on interest earned from loans made to companies for development in a zone. The loans must be made for property which qualifies for the Enterprise Zone investment tax credit.

Contribution Deduction 35 ILCS 5/203

Businesses may deduct, from taxable income, double the value of a cash or in-kind contribution to an approved project of a dedicated zone organization. An application is required to be submitted to DCCA for approval on the designated zone organization as well as the proposed project.

Altamont Enterprise Zone Administrator is:

Carl E. Brauer
104 Oak Street
Altamont, Illinois 62411
618-483-6749

- Enterprise Zone Maps are available for purchase at Altamont City Hall
- Enterprise Zone Map can be viewed from City Map Page on the Altamont Web Site <http://www.altamontil.net>