

Important Considerations

- Contact the local Enterprise Zone Coordinator (Riverside Center for Innovation) prior to submitting an application in order to verify the deadline to apply by, and to receive a letter of support
- The business must have financing for the proposed project in place prior to applying (can not use the tax credit as part of the financing)
- The project must be completed in the year in which it was received (July 1st through June 30th)
- The business must own the property for one year after the tax credit is received

"Comprehensive Market Creator"



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INNOVATION**

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Pennsylvania Department of Community and Economic Development

Enterprise Zone Program Tax Credit



Please contact the Riverside Center for Innovation prior to submitting your application



Purpose

The Enterprise Zone Program (EZP) Tax Credit is available to companies that make qualified investments to rehabilitate, expand, and/or improve buildings or land that promote community economic development, AND which are in impoverished areas that have been designated as Enterprise Zones. To find out whether your business is in the Ohio River Towns Enterprise Zone please go to <http://www.ortezpgh.com/main> and click on Maps and Forms.

Tax credits are authorized in the amount of 25 percent of funds invested, up to a maximum of \$500,000.

Application

The form that is required to be filled out for EZP applicants to receive and apply tax credits against the tax liability with the Department of Revenue can be found at: <http://www.newpa.com/find-incentives-apply-for-funding/single-application-for-assistance>

An application for tax credits should be submitted at the time of application, but can also be submitted to the DCED no later than six (6) months after the end of the contract period. The contract period ends June 30, and the deadline for Applications for Tax Credit Under the Neighborhood Assistance Program is December 31st.

For example, if a project has a contract period of July 1, 2012 through June 30, 2013 application for Tax Credits must be submitted no later than December 31, 2012, which is six (6) months after the contract end date. Applications received after December 31 will not be processed and tax credits will not be applied to the company's tax liability.

Use and Sale

Unused tax credits can be carried forward for the next five succeeding calendar or fiscal years until the full credit has been allowed, IF the certification for credits has been requested through the DCED. A shareholder, member, or partner of a partnership may not carry forward any tax credit not used in the period the contribution was made.

Tax credits not used within one year of the date the credit was granted by the Department of Revenue may be sold or assigned all or in part by first putting in an application with the DCED. The purchaser or assignee must use the credits in the tax year in which the purchase or assignment is made, and may not carry forward, sell, or assign the purchased/assigned credits. A shareholder, member, or partner of a partnership may not sell or assign any part of a tax credit.

Eligibility

Projects submitted to DCED under the Enterprise Zone Tax Credit Program must meet the following criteria:

1. The company must make an investment to rehabilitate, expand, or improve a building or land located within an Enterprise Zone.
2. The investment must be approved by the DCED in order to be eligible for tax credits.
3. Applications must include a commitment to avoid displacement of current residents.
4. Eligible costs include construction-related costs and "soft" costs such as engineering, architecture, acquisition, and invoiced expenditures.
5. The application must include a letter for support from the local Enterprise Zone Coordinator (Riverside Center for Innovation).
6. A company with an investment located in an Enterprise Zone that has moved out of the Zone can submit an application for the Enterprise Zone Tax Credit during the fiscal year of their leaving date, as well as during the following fiscal year. The fiscal year runs from July 1 through June 30.

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