Decatur & Macon County

INCENTIVE & SAVINGS GUIDE

EDC
ECONOMIC DEVELOPMENT CORPORATION
DECATUR - MACON COUNTY ILLINOIS

OVERVIEW

The Decatur-Macon County Enterprise Zone Program is a true partnership between state and local government and became effective on January 1, 2016. It emphasizes a creative coalition of state and local governments, businesses, labor, and community groups to encourage economic growth in the Enterprise Zone. The Enterprise Zone is made up of the following local governmental bodies: City of Decatur, Macon County, Village of Forsyth, Village of Mt. Zion, and Village of Long Creek.

The Economic Development Corporation (EDC) of Decatur-Macon County is the assigned administrator for the Enterprise Zone, giving you a local contact to help navigate through the many incentives and processes.

The Decatur-Macon County Enterprise Zone is set aside to attract new industry and revitalize existing businesses by providing targeted initiatives and financial incentives to reduce operating and construction costs.

This guide provides information on the Decatur-Macon County Enterprise Zone incentives as well as details on potential benefits and incentives available through the State of Illinois and other organizations.

The contents and procedures outlined in this guide dated for August 3, 2026 supersede all previous versions of this document.

Need assistance? We're happy to help. Give us a call or send us an email.

217-422-9520

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PROPERTY TAX ABATEMENT

Application Process

In order for any project to receive property tax abatement, the Decatur-Macon County Enterprise Zone Administrator must receive a formal written request for abatement from the property owner and the request must be approved by the Enterprise Zone Advisory Board **before beginning construction**. A sample letter can be provided upon request. The property tax abatement request will be presented to the Enterprise Zone Advisory Board for their review. Although, the review/approval process could take up to 45 days, every effort will be made to expedite a decision to facilitate project timelines.

Property tax abatement for eligible projects will not be granted if construction has begun prior to the Administrator's receipt of a formal request for abatement or if approval had not yet been granted by the Enterprise Zone Advisory Board.

The Decatur-Macon County Enterprise Zone currently offers two types of property tax abatement: 1) Industrial/Manufacturing, Warehouse/Distribution & Office, and, 2) Retail, Restaurant, Hotel/Motel, and Commercial Developments.

Industrial/Manufacturing, Warehouse/Distribution & Office Abatement

Property tax abatement shall be applicable for eligible office, warehouse/distribution and industrial/manufacturing real property for which construction improvements, renovation or rehabilitation which commenced after January 1, 2016 and before the expiration of the Decatur-Macon County Enterprise Zone. The following categories of projects within the boundaries of the Enterprise Zone shall be **ineligible** for this type of property tax abatement:

- general retail merchandise
- eating and drinking establishments
- hotels/motels
- self-storage (mini warehouse facilities)
- automobile service station
- automatic or self-service coin operated car wash
- automobile storage yard
- automobile repair and service
- commodity scrap processing
- convenience food and beverage store
- gasoline station
- package liquor store
- recycling facility
- cash advance pay-day loan and title loan stores

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Property taxes are abated on the increase in assessed valuation due to new construction, renovation or rehabilitation of eligible office, warehouse distribution and industrial properties. **The value of said construction, renovation or rehabilitation requires a minimum capital investment of $150,000 and the creation and/or retention of 25 full-time jobs. Entities receiving five-year property tax abatement must agree to maintain a minimum of 90% of the employment levels at that location as described in the Memorandum of Understanding for the term of the abatement.** Failure to maintain a minimum of 90% of the employment levels during the agreement period may result in the immediate termination of remaining abatement and/or the pro-rata repayment of previously abated real property taxes to the applicable taxing districts. The abatement will be for five consecutive years beginning with the real estate taxes for the first full year following the completion of the improvements on the property.

Additionally, a qualified project which will result in building construction, renovation or rehabilitation costs of **$4,000,000 or more, the developers and/or their contractors will be required to submit a local labor utilization plan** (Addendum C).

The schedule is as follows:

Year One:	100% of the amount in excess of the base amount
Year Two:	80% of the amount in excess of the base amount
Year Three:	60% of the amount in excess of the base amount
Year Four:	40% of the amount in excess of the base amount
Year Five:	20% of the amount in excess of the base amount

Abatement from participating governmental entities for the specific project will cease after the fifth year or upon expiration of the Enterprise Zone, whichever occurs first.

Retail, Restaurant, Hotel/Motel & Commercial Developments

Property tax abatement shall also be applicable for retail, restaurant, hotel/motel and retail/commercial property developments located within the Zone subject to eligibility criteria outlined below and approval by the Enterprise Zone Advisory Board.

Retail and restaurant projects are disqualified from receiving Enterprise Zone benefits when the project is a relocation from a municipality that participates in the Enterprise Zone. Requests for an exemption from this policy may be reviewed by the Enterprise Zone Advisory Board.

The property taxes are abated based on construction, improvements, renovation or rehabilitation for which a building permit is required, that results in an increase in the equalized assessed valuation of at least $25,000 and after January 1, 2016 and before the expiration of the Decatur-Macon County Enterprise Zone. Documentation of the completed project costs and a Notice of Assessment Change from the Macon County Supervisor of Assessments reflecting such improvements must be submitted to the Zone Administrator before abatement will be granted.

"Retail/commercial companies" as described herein, are Enterprises in the business of selling products or services in the following categories: stores selling products to the general public or wholesale customers, restaurants, hotels/motels, and related concerns. Additionally, "retail/commercial property" shall include multi-family properties, with a minimum of ten (10) living units with minimum investment of $50,000/unit and maximum of $250,000/unit (exclusive of site preparation work, utilities, and infrastructure) which construction of development must be completed within 24 months after obtaining necessary building permits. The per unit limits applicable in this Subpart E shall be adjusted for inflation annually commencing January 1, 2023 based on the Consumer Price Index, United States average on all items and commodity groups, issued by the Bureau of Labor Statistics of the United States. With inflation, the per unit limits are $53,990.71/unit minimum and $269,953.54/unit maximum as of July 2025. Single family residential homes are not eligible for tax abatement.

The abatement will be for three consecutive years beginning with the real estate taxes for the first full year following the completion of the property improvements. Abatement for the specific project will cease after the third year or upon expiration of the Enterprise Zone, whichever occurs first. The schedule is as follows:

Year One:	100% of the amount in excess of the base amount
Year Two:	75% of the amount in excess of the base amount
Year Three:	50% of the amount in excess of the base amount

The following categories of retail and commercial development projects shall be **ineligible** for any property tax abatement:

- self-storage (mini warehouse facilities)
- automobile service station
- automatic or self-service coin operated car wash
- commodity scrap processing
- convenience food and beverage store
- gasoline station
- package liquor store
- recycling facility
- cash advance, pay day loan and title stores.
- single family residential homes

Participating Governmental Units

The following governmental units have chosen to participate in the Enterprise Zone property tax abatement program through 2030 and beyond, subject to approval of long-term extension by the State of Illinois through 2040 or upon expiration of the Decatur-Macon County Enterprise Zone:

- Macon County
- City of Decatur
- Village of Forsyth
- Village of Mount Zion
- Village of Long Creek
- Long Creek Township
- Decatur Public School District #61
- Maroa-Forsyth School District #2
- Mount Zion School District #3
- Argenta-Oreana School District #1
- Richland Community College
- Decatur Park District

Abatement Q&A

What is the enterprise zone property tax abatement incentive?
The Illinois Revenue Act 35 ILCS 200/18-170, as amended, provides that any taxing district may order the county clerk to abate (that is, to give up) any portion of its taxes on real property, or on any particular class thereof, located within a zone and upon which new improvements have been constructed or upon which existing improvements have been renovated or rehabilitated.

Are taxes reduced on the current value of the property (or on existing improvements)?
No. The abatement applies only to taxes on the increase in assessed value attributable to the new construction, renovation or rehabilitation. Taxes based on the assessed value of land and existing improvements continue to be extended and collected.

If property tax abatement is authorized, are new improvements made to property located within a zone assessed?
Yes. By law, every time property is improved, it is reassessed.

How do these incentives affect the multiplier?
They don't. The multiplier or equalization factor is the application of a percentage increase or decrease, generated by the Illinois Department of Revenue, in order to adjust assessment levels in various counties to the same percentage of full value. Multipliers are not affected by the Enterprise Zone property tax abatement provision or by county assessment reductions.

Does the abatement of taxes on improvements in an enterprise zone affect the tax rate?
Yes, however, in most cases the effect will be marginal. Tax rates depend on the levy (amount of tax revenue the local government is raising) and the size of the tax base (total equalized assessed valuation of the district less homestead exemptions, plus the value of any state assessed property).

Under normal circumstances, the tax rate for a district is calculated by dividing the district's tax levy by its tax base. The greater the tax base, the lower the rate needed to generate the amount of the levy.

Under the Enterprise Zone Program, the value of abated property is subtracted from the tax base prior to the calculation of the tax rate. In most cases, the tax base is large enough, and the Enterprise Zone abatements are low enough that the overall effect is negligible.

How does the enterprise zone property tax abatement provision in 18-170 of the Revenue Act differ from the property tax provision in 18-165?
The Enterprise Zone provision is broader and more flexible. The Enterprise Zone property tax abatement:

- may be offered on all classes of real property, including commercial, residential and industrial (18-165 abatements are limited to commercial and industrial improvements). Please see pages 4-6 of this Guide to see if your project qualifies under the Decatur-Macon County Enterprise Zone provisions.

- may be offered for any number of years, up to the termination date of zone certification (18-165 abatements cannot exceed 10 years). Please see pages 4-6 of this Guide to see the years and percentage of abatement offered to qualified projects under the Decatur-Macon County Enterprise Zone provisions.

- may be offered by a taxing district in amount (the abatement offered under 18-165 limits the aggregated amounts of an abatement offered by all taxing districts to $3,000,000).

Are tax incentives and other benefits offered on a case-by-case basis?
No. "Case-by-case" is contrary to the intent of the Enterprise Zone Act. Tax incentives must be offered uniformly and equitably by class. The local ordinance authorizing tax incentives, such as property tax abatement, extends the incentives automatically through eligibility criteria, such as class of property (i.e., residential, commercial and industrial) and formulas (i.e., percentages and numbers of years available).

Can property tax be abated in a tax increment finance district (TIF)?
Tax increment financing is a financing technique that cities may use to pay for public improvements such as land assemblage, building demolition, utilities, streets and sidewalks. Property owners in the project area do pay their full share of taxes. Taxes generated by the increase in assessed valuation - the tax increment - go into a special allocation fund used to pay the bonds which financed the public improvement costs. This financing method is not a tool to speculatively prepare for development - tax increment financing requires an advance commitment by a developer to a project.

Property tax abatement is, however, a tool that is used for development. It is not a financing technique. The Revenue Act provides that any taxing district, upon a majority vote of its governing authority, may order the county clerk to abate any portion of its taxes on improvements made to real property located in a zone. The increase in assessed valuation due to new construction, rehabilitation or renovation is not taxed for the term of the abatement as set by local ordinance.

A TIF district may be included in the legal description of the zone and consequently be eligible to receive other tax incentives and benefits, but the property tax abatement provision must exclude the TIF district from the area eligible for abatement.

What are the requirements, expectations and exemptions for the Local Labor Utilization Plan?

The Local Labor Utilization Plan should provide for:

- the equitable opportunity for local labor contractors to submit bids for the skilled craft work required by the project
- the developer's planned efforts for utilization of at least 75% local labor by any non-local contractors who are awarded work related to the construction of said property

The developer may request a waiver of the Local Labor Utilization plan if any of the following conditions apply:

- certain resources are not sufficiently available in the local labor market area;
- an awarded bid to a lower cost resource provider requires the use of non-local labor in order to meet bid requirements; or
- the use of non-local labor results from requirements associated with any applicable governmental funding for the project
- conflicting obligations exist relative to any contracts or other agreements to which taxpayer is a party or with other policies or programs that may be in effect from time to time.

A copy of the standard Local Labor Utilization Plan form has been included as Addendum C to this guide.

SALES TAX EXEMPTION

Overview

A point-of-sale tax exemption on State, City and County sales tax is available on building materials incorporated into real estate in the Decatur-Macon County Enterprise Zone. In order to receive this exemption, building materials must be used for remodeling, rehabilitation or permanent new construction. **Construction must be of the nature that a building permit would be required. A completed Project Application Form with original signatures must be submitted to the Zone Administrator prior to the start of the project.** A Project Application Form is attached to this guide (Addendum A).

If an applicant requests certification for a project that does not require a building permit according to the enacted rules, regulations, ordinances and resolutions of the City of Decatur and/or the County of Macon, the Zone Administrator may still approve an exemption certificate in certain circumstances. Documentation from the City of Decatur or the County of Macon that a permit is not required must be submitted to the Zone Administrator for review and consideration by the contractor or business seeking the exemption.

In addition to the completed Project Application form, the applicant must submit a copy of the approved building permit issued by the City of Decatur or applicable local unit of government. The Administrator will verify the project is eligible and located within the Zone boundary. The approval process for a sales tax exemption could take up to five business days.

Residential properties are not eligible for sales tax exemption with the exception of certain multi-family developments. Eligible multi-family properties are defined as a project containing three or more dwelling units in one building with a minimum construction/rehabilitation value of $100,000 per unit. Construction value may include common area and building system costs, apportioned to each unit within the structure.

The City, County, and State exemptions provide a full abatement of sales tax on construction materials. Companies undertaking projects in the Enterprise Zone are encouraged to purchase building materials locally and to use local labor.

Sales Tax Exemption Certificates are NOT comprehensive to the entire project. All material purchasing entities associated with the project (contractors and subcontractors) must apply for and receive a unique Sales Tax Exemption Certificate that is issued individually by the Illinois Department of Revenue via the Zone Administrator. A Contractors Application form is attached to this guide (Addendum B).

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Sales Tax Incentive Q&A

What is the sales tax deduction and what is the retailer's role?
Each retailer, who makes a qualified sale of building materials to be incorporated into real estate by remodeling, rehabilitation or new construction in the Decatur-Macon County Enterprise Zone, may deduct receipts from such sales when calculating the tax imposed by this Act. For purposes of this Section, "qualified sale" means a sale of building materials that will be incorporated into the real estate as part of a building project for which a Certificate of Eligibility for Sales Tax Exemption has been issued by the Illinois Department of Revenue via the administrator for the enterprise zone in which the building project is located. To document the exemption allowed under this Section, the retailer must obtain from the purchaser a copy of the Certificate of Eligibility for Sales Tax Exemption issued by the Illinois Department of Revenue.

The Certificate of Eligibility for Sales Tax Exemption must contain:

- a statement that the building project identified in the Certificate meets all the requirements for the building material exemption of the Decatur-Macon County Enterprise Zone;
- the location or address of the building project

In addition, the retailer must obtain certification from the purchaser that includes:

- a statement that the building materials are being purchased for incorporation into real estate located in the Decatur-Macon County Enterprise Zone;
- the location or address of the real estate into which the building materials will be incorporated;
- the name of the enterprise zone - Decatur-Macon County Enterprise Zone - in which the real estate is located;
- a description of the building materials being purchased; and
- the purchaser's signature and date of purchase

The ordinance that governs the enterprise zone into which the building materials will be incorporated may neither require nor prohibit the purchase of building materials from any retailer or class of retailers in order to qualify for the exemption.

How does the Enterprise Zone Sales Tax Deduction affect Home Rule Municipal Taxes or County Supplemental Taxes?
Once the gross receipts from sales of building materials are excluded from the Illinois Retailers' Occupation Tax base by virtue of exempted building materials, these receipts are also excluded from the Home Rule Muni Tax Base and County Supplemental Tax Base.

Do all retailers offer a point of sale exemption?
No. Retailers are not required by law to participate. The purchaser must ask the retailer for cooperation on this incentive. Retailers have, however, demonstrated good cooperation throughout the history of this program, as this incentive permits them to give customers a "break" without cost to themselves.

What qualifies as "building materials" eligible for the sales tax deduction?
Building materials that are eligible for the enterprise zone sales tax deduction include items that are permanently affixed to real property such as lumber, mortar, glued-down carpets, paint, wallpaper, and similar affixed items. This does not include landscaping materials. For more information, see Addendum E.

Are there fees for obtaining a Sales Tax Exemption Certificate?
Yes. Approved Enterprise Zone projects requesting a sales tax exemption will be subject to an **administration fee not to exceed 1/2% (or .005) of the total cost of construction materials** included on the Contractors Application form. The fee will be due upon issuance of the sales tax exemption certificate by the Zone Administrator and a summary of construction material costs must be provided to the Zone Administrator at the same time. The maximum fee allowed by Public Act 97-905 is 1/2% of the total cost of building materials to a maximum of $50,000 per project.

What are some examples of building materials that qualify for sales tax exemption?

According to the Illinois Department of Revenue, in order to qualify for the building materials exemption, the materials being purchased must be building materials. That is, they must be purchased for physical incorporation into real estate. For example, gross receipts from sales of:

1) common building materials such as lumber, bricks, cement, windows, doors, insulation, roofing materials and sheet metal can qualify for the exemption;

2) plumbing systems and components thereof such as bathtubs, lavatories, sinks, faucets, garbage disposals, water pumps, water heaters, water softeners and water pipes can qualify for the exemption;

3) heating systems and components thereof such as furnaces, ductwork, vents, stokers, boilers, heating pipes and radiators can qualify for the exemption;

4) electrical systems and components thereof such as wiring, outlets and light fixtures that are physically incorporated into real estate can qualify for the exemption;

5) central air conditioning systems, ventilation systems and components thereof that are physically incorporated into the real estate can qualify for the exemption;

6) built-in cabinets and other woodwork that are physically incorporated into the real estate can qualify for the exemption.

7) built-in appliances such as refrigerators, stoves, ovens and trash compactors that are physically incorporated into the real estate can qualify for the exemption;

8) floor coverings such as tile, linoleum and carpeting that are glued or otherwise permanently affixed to the real estate by use of tacks, staples, or wood stripping filled with nails that protrude upward can qualify for the exemption.

Source: Illinois Department of Revenue, Amended at 39 III. Reg. 14615, effective October 22, 2015

BOUNDARY AMENDEMENTS

Overview

Under special and unique circumstances, the Enterprise Zone Administrator will consider extending the Zone boundaries for qualified projects. This process is subject to the approval of the Enterprise Zone Advisory Board, Macon County, the State of Illinois and all other associated governing authorities. The review process may take up to 90 days. All boundary amendment requests require an application fee of $500.

Additionally, per Public Act 97-905, the maximum combined fees for a boundary amendment AND Sales Tax Exemption Certification for a single project may not exceed 1/2% of the total cost of building materials to a maximum of $50,000.

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Overview

In early 2023, the State of Illinois greatly expanded business incentives in order to attract and retain job creators looking to locate or expand their business in Illinois. Illinois offers tax-based incentives to help your business create jobs and invest in Illinois. Some of these incentives include: Manufacturing Illinois Chips for Real Opportunity Act (MICRO), Reimagining Energy and Vehicles Program, Illinois Angel Investment Credit Program, Economic Development for a Growing Economy Tax Credit Program (EDGE), Advancing Innovation in Manufacturing (AIM) Program, High Impact Business Program, Illinois Opportunity Zones, Blue Collar Jobs Act Tax Credit Program (BJCA), Prime Sites Capital Grant Program, and Illinois New Markets Development Program.

For an overview of these programs, see below, and to discuss your options, please contact the State of Illinois for more information. Additionally, visit the State's website here for more information (https://dceo.illinois.gov/businesshelp/incentivesandtaxcredits.html)

Manufacturing Illinois Chips for Real Opportunity Act (MICRO)

The Manufacturing Illinois Chips for Real Opportunity Act (MICRO) provides incentives for manufacturers of microchips and semiconductors as well as component parts manufacturers in this high-tech sector. Eligible companies manufacture microchips and semiconductors and associated component parts. Job creation incentives can be awarded as of January 1, 2023, and claimed beginning January 1, 2025.

Larger projects should meet the following jobs and capital investment thresholds within five years in order to receive benefits:

- Microchip and semiconductor Manufacturer: $1.5B capital investment & > 500 jobs
- Microchip and semiconductor Component Parts Manufacturer: $300M capital investment & > 150 jobs
- Manufacturers converting existing manufacturing facility to microchips and semiconductors components manufacturing: > 75 new jobs (or new jobs equivalent to 10% of statewide baselines for taxpayer, whichever is less) & 100M capital investment

Smaller projects may receive benefits if the company invests more than $20M in capital and creates 50 new jobs within four years. For more information, please contact CEO.MICRO@illinois.gov in the Office of Business Development.

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Reimagining Energy and Vehicles Program (REV)

The Reimagining Energy and Vehicles Program (REV) provides manufacturers of electric vehicles (EV), EV component parts, and EV power supply equipment manufacturers with incentives for qualifying Illinois manufacturers. REV Illinois offers competitive incentives to expand in, or relocate to, Illinois for companies that manufacture, in whole or in part, EV and associated battery, charging infrastructure and recycling products, as well as renewables including solar, wind and energy storage. Depending on project size, benefits of the program can last from twenty to thirty years, and include provisions to retain income tax withholding, exemptions on utilities taxes, training credits and grants, and equipment/capital cost exemptions. Applicants must commit to a level of capital investment and job creation to be eligible for the REV Illinois program. For more information, contact CEO.REV@illinois.gov at the Office of Business Development.

Illinois Angel Investment Credit Program

The Illinois Angel Investment Tax Credit Program encourages investment in innovative, early-state companies to help companies obtain working capital needed to grow in Illinois. Investors in companies that are certified as Qualified New Business Ventures (QNBVs) can receive a state tax credit equal to 25% of their investment (up to $2 million). A total of $10 million in tax credits a year are allocated. Credits will be released by quarter, on a first-come first-served basis. Once tax incentive credits for a particular quarter are exhausted, no further credits can be allocated until the subsequent quarter. For information about the program, contact AngelInvestment@illinois.gov.

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Economic Development for a Growing Economy Tax Credit Program (EDGE)

The EDGE Program provides annual corporate tax credits to qualifying businesses to help create jobs, investment, and training programs in Illinois. Initial qualification criteria require certain job creation and project investment requirements. See **Tier 1** below:

100 or Fewer World-Wide Employees

- Job Creation: The Lesser of 5% of world-wide employment, or 50 new full time jobs
- Investment: $0*

*Applicants cannot receive more in credits than the project investment.

More than 100 World-Wide Employees

- Job Creation: The Lesser of 10% of world-wide employment, or 50 new full time jobs
- Investment: $2,500,000

Tier 2 includes major investment incentives for companies committing to:

- Job Creation: 100 New Jobs
- Investment: $50 Million

The non-refundable income tax credit is equal to 50% of the income tax withholding of new job created in the state. This percentage increases to 75% if the business expansion project is located in an "underserved area" census tract. Additional credits are also available as reimbursement for qualifying training costs. Ten percent of eligible training costs of newly hired full-time employees positions at the project may also be included as part of annual credits.

Tax credits amounts are calculated on a case-by-case basis. EDGE credits are processed on an annual basis, for up to 10 years, based upon employment ramp-up plans outlined by the business and agreed to by the Department. For more information, contact CEO.EDGE@illinois.gov.

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EDGE for Startups

EDGE for Startups is a tax credit incentive program designed to encourage startups to invest, create, and retain jobs in Illinois. Businesses must be incorporated 10 years ago or less, never had any Illinois income tax liability, and ready to hire full time W2 employees to be eligible.

The EDGE for Startups program offers a credit for withholding taxes to support businesses. Here's a summary of the key benefits related to tax credits for staff:

- **Tax Credits for New Hires:** 50%
- **Tax Credits for Retained Jobs:** 25%
- **Additional Savings:** In underserved areas, these savings increase by an additional 25%.
- **Training Costs:** The program also offers a credit for 10% on new employee training costs.

The program's requirements encompass job creation, capital investment, and the crucial "but for" principle, which shows that the tax credits are a deciding factor in your choice to invest in Illinois. Applicant must complete a one-time audit to confirm job creation and capital investment.

100 or Fewer World-Wide Employees

- Job Creation: The Lesser of 5% of world-wide employment, or 50 new full time jobs
- Investment: $0*

*Applicants cannot receive more in credits than the project investment.

More than 100 World-Wide Employees

- Job Creation: The Lesser of 10% of world-wide employment, or 50 new full time jobs
- Investment: $2,500,000

EDGE for Startups is one of many programs to revitalize the Illinois economy and build the workforce of the future. If your business is ready for expansion and meets the program's criteria, we invite you to contact CEO.EDGE@illinois.gov to schedule an informational call.

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Advancing Innovation in Manufacturing (AIM) Program

The Advancing Innovation in Manufacturing (AIM) program, is an incentive program created to integrate cutting edge technology in Illinois' manufacturing economy for taxable years beginning on or after January 1, 2026. Designed for companies who are ready to expand in or relocate to Illinois, that manufacture, intended to spur innovation in growth industries and fast-growing sectors, including: automotive; aerospace; energy; life sciences; machine; fabricated metal; chemical; robotics; and the production of advanced materials manufacturing. Offers an incentive based on investment goals geared to modernize, automate or streamline manufacturing processes.

- Simple credit tiers:
    - 3% credit on qualified investments of $10 million-$50 million
    - 5% credit on qualified investments of $50 million-$100 million
    - 7% credit on qualified investments exceeding $100 million
- Flexibility in timing allows eligible investments over a five-year period.

For more information, contact CEO.AIM@illinois.gov.

High Impact Business Program

Projects that invest $12 million and create 500 full-time jobs or invest $30 million and retain 1,500 full-time jobs may be eligible for tax credits to help expedite their growth. Investments must take place at designated locations in Illinois outside of an Enterprise Zone. For more information, contact Ben Denney at Ben.Denney@illinois.gov.

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Opportunity Zones

The Opportunity Zone program incentivizes long-term, private investments in low-income urban and rural communities nationwide. With this program, any taxpayer - individual or corporation - is eligible to invest in Opportunity Funds. There is no cap on the amount that can be invested. Investors can realize significant federal tax benefits by way of tax deferral, reduction, and elimination:

1. *A Temporary Deferral:* When capital gains from the sale of other assets such as stocks or real estate are invested in an Opportunity Fund, the tax on the capital gain is deferred until the earlier of the disposition of the Opportunity Fund investment or December 31, 2026.
2. *A Reduction:* The original amount of capital gains on which an investor has to pay deferred taxes is reduced by 10% if the Opportunity Fund is held for 5 years and reduced by another 5% if held for 7 years.
3. *An Exemption:* Any capital gains on the Opportunity Fund will be excluded from taxation if the investment is held for at least 10 years.

Decatur's Opportunity Zone is concentrated on the downtown area and the Main Street and Eldorado Street corridors. The area is roughly bounded by 22nd Street on the east, Garfield Street on the north, Lake Decatur to the south, and Millikin University to the west. Visit DecaturEDC.com/incentives to view the map and see sites and buildings available on the market at DecaturEDC.com/site-selection.

For more information, contact opportunityzones@illinois.gov.

Blue Collar Jobs Act Tax Credit Program (BCJA)

The BCJA Program supports large-scale economic development activities by providing corporate income tax credits to companies that make substantial capital investments in Illinois. The tax credits are based on the wages paid to construction workers employed on eligible projects. To be eligible, a company must be located in an Enterprise Zone or a River Edge Redevelopment Zone, designated a High Impact Business, or have an agreement under the EDGE Program. Eligible companies may receive up to 75% income tax withholding credits for construction workers. For more information, contact CEO.BCJA@illinois.gov.

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Prime Sites Capital Grant Program

The Prime Sites Capital Grant Program assists companies with large-scale capital investment projects that commit to significant job creation for Illinois residents as they relocate or expand operations in Illinois. Prime Sites grants can encompass a wide range of economic development projects that will result in job creation in the state of Illinois.

Award amounts for eligible projects will be formula-based, and an applicant may apply for a grant of up to $5,000 per new job created. Grants will range from $250,000 to $6 million. This grant opportunity also includes a 4:1 match requirement, meaning grant funds can only cover 20% of the total eligible capital expenses for the proposed project.

Eligible projects may include new construction and renovation of industrial and commercial facilities, including associated infrastructure improvements and the purchase and installation of durable equipment. Construction or renovation of facilities to be used as warehouses are not eligible. For more information, contact Sean Pritchard at Sean.Pritchard@illinois.gov.

Illinois New Markets Development Program

The New Markets Tax Credit Program incentivizes community development and economic growth through the use of tax credits that attract private investment to distressed communities. The credit totals 39% of the original investment amount and is claimed over a period of seven years. Program applicants must be certified as CDEs by the CDFI Fund. For more information, contact CEO.Newmarkets@illinois.gov.

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TAX CREDITS

Investment Tax Credit

The Illinois Income Tax Act 35 ILCS 5/201, as amended, allows corporations, trusts, estates, individuals, partners and Subchapter S shareholders a 0.5 percent credit against the state income tax for investments in qualified property which is placed in service in the Decatur-Macon County Enterprise Zone. This credit is in addition to the existing 0.5 percent investment tax credit allowed statewide against the corporate personal property replacement tax. The investment tax credit applies gross income subject to Illinois income tax and to the depreciable basis of qualified property placed in service within the Decatur-Macon County Enterprise Zone. It is a one-time credit given in the taxable year in which the property is placed in service. If the amount of the credit exceeds the tax liability for that year, the excess may be carried forward and applied to the tax liability of the give taxable years following the excess credit year. For more information, contact Ben Denney at Ben.Denney@illinois.gov.

Who are qualifying taxpayers?
The credit may be taken by corporations, trusts, estates, individuals, partners and Subchapter S shareholders who make investments in qualified property and who otherwise meet the terms and conditions established by statute.

What are examples of "qualified property"?
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, typewriters, and other small non-depreciable or intangible assets.

What does "placed in service" mean?
Qualified property is "placed in service" on the earlier of: 1) the date the property is placed in a condition of readiness and availability for use, or 2) the date on which the depreciation period of that property begins. To qualify for the enterprise zone investment tax credit, the property must be placed in service on or after the date the zone is certified by the Department of Commerce and Economic Opportunity, and, on or before the last day of the firm's taxable year.

What is "depreciable" property?
Property must be depreciable pursuant to Internal Revenue Code Section 167. Depreciable property is used in the taxpayer's trade or business or held for the production of income (but not inventory) which is subject to wear and tear, exhaustion or obsolescence.

There are some types of assets that may not be depreciable, even though they are used in the taxpayer's business or trade or are held for the production of income Good will and land are examples. Other examples of tangible property which are not depreciable are inventories, natural resources and currency.

Does "used" property qualify for the Enterprise Zone Investment Tax Credit?
Used property does not qualify if it was previously used in Illinois in such a manner and by such a person as would qualify for either the statewide investment tax credit or the enterprise zone investment tax credit.

Example: A corporation purchases a used pick-up truck for use in its manufacturing business that is located in an enterprise zone from an Illinois resident who used the truck for personal purposes in Illinois. If the truck meets the other requirements for the investment tax credit, it will not be disqualified because it was previously used in Illinois for a purpose which did not qualify for the credit.

However, had the corporation purchased the truck from an Illinois taxpayer in whose hands the truck qualified for the credit, the truck would not be qualified for the investment tax credit, even though the party from whom the truck was acquired had never received an investment tax credit for it.

What is the "basis" value of property?
The "basis" value of property, for the purposes of this credit, is defined the same way it is defined for purposes of federal depreciation calculations. Essentially, the basis is the cost of the property, as well as related capital costs.

Does the Enterprise Zone Investment Tax Credit carry forward?
Yes. The credit is allowed for the tax year in which the property is placed in service, or, if the amount of the credit exceeds the tax liability for that year, the excess may be carried forward and applied to the tax liability of the five taxable years following the excess credit year. The credit must be applied to the earliest year for which there is a liability. If there is credit from more than one tax year that is available to offset a liability, the credit accruing first in time is applied first.

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OTHER TAX EXEMPTIONS

Utility Tax Exemption

What is the Utility Tax Exemption?
The Public Utilities Act 220 ILCS 5/9-222.1, as amended, and the Telecommunications Excise Tax Act 35 ILCS 630/2(a)(5), as amended, allows a business enterprise certified by DCEO as making an investment in a zone that either creates a minimum of 200 full-time equivalent jobs in Illinois or retains a minimum of 1,000 full-time jobs in Illinois, a 5 percent state tax exemption on gas, electricity and the Illinois Commerce Commission .1 percent administrative charge and excise taxes on the act or privilege of originating or receiving telecommunications. Local utility tax exemptions are not included in this exemption; however, they may be separately exempted by local Ordinance.

How does a business become eligible for the Utility Tax Exemption?
To be eligible for this incentive, DCEO must certify that the business makes an investment of at least $5 million in an enterprise zone and has created a minimum of 200 full-time equivalent jobs in Illinois, or makes an investment of at least $20 million in an enterprise zone and has retained a minimum of 1,000 full-time jobs in Illinois. A business must submit an application to DCEO documenting the eligible investment and that the job creation or job retention criteria has been met. For more information, contact DCEO Office at 217-782-7500 or 312-814-7179.

What is an eligible investment?
For purposes of this incentive, eligible investment may be either: 1) investments in qualified property as defined in the Enterprise Zone Investment Tax Credit (described on Page 13 of this publication); or, 2) non-capital and non-routine investments and associated service costs made for the basic construction, renovation or improvement of qualified property including productive capacity, efficiency, product quality or competitive position. Regular maintenance and routine expenditures are not included.

Open Market Natural Gas Tax Exemption

Companies who are located within the boundaries of the Decatur-Macon County Enterprise Zone are entitled to an exemption on the state sales tax for “wheeled” or open market natural gas transactions.

In order to receive the exemption, the Form RG-61 Gas Use Tax Exemption Certificate must be completed and given to your delivering supplier. If any of the information you provide on Form RG-61 changes, you must complete a new Form RG-61. Even if no changes are required, a new Form RG-61 must be completed every five years to keep records current. For more information, contact DCEO at 217-782-7500 or 312-814-7179.

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Manufacturing Machinery and Equipment (MM&E) Sales Tax Exemption

What is the Enterprise Zone Manufacturing Machinery and Equipment (MM&E) Sales Tax Exemption?

The Revenue Act 35 ILCS 120/ld-lf, as amended, allows a business enterprise that is certified by DCEO a 6.25 percent state sales tax exemption on all tangible personal property which is used or consumed within an enterprise zone in the process of manufacturing or assembly of tangible personal property for wholesale or retail sale or lease. This exemption includes repair and replacement parts for machinery and equipment used primarily in the process of manufacturing or assembling tangible personal property for wholesale or retail sale or lease, and equipment, manufacturing fuels, material and supplies for the maintenance, repair or operation of manufacturing, or assembling machinery or equipment. The MM&E sales tax exemption applies to all manufacturers. The provision is in state law and it was recently amended to include the Manufacturers Purchase Credit (tangible personal property used or consumed in the manufacturing process). It applies to all companies – there are no requirements for employee count or capital investment. For more information, contact DCEO at 217-782-7500 or 312-814-7179.

What is an eligible investment?

For purposes of this incentive, eligible investment may be either: 1) investments in qualified property as defined in the Enterprise Zone Investment Tax Credit (described on Page 13 of this publication); or, 2) non-capital and non-routine investments and associated service costs made for the basic construction, renovation or improvement of qualified property including productive capacity, efficiency, product quality or competitive position. Regular maintenance and routine expenditures are not included.

Are eligible sales limited to the units of government sponsoring the zone?

No. Items eligible for the 6.25 percent state sales tax exemption may be purchased anywhere in Illinois.

What tangible personal property is eligible for the MM&E Sales Tax Exemption?

To be eligible for this exemption the tangible personal property must be directly used or consumed in the process of manufacturing or assembling tangible personal property for wholesale or retail sale or lease. Examples of this include: repair and replacement parts; hand tools; materials and supplies such as abrasives, acids or lubricants; protective clothing and safety equipment; and, any fuel used for machinery and equipment.

NOTE: The above examples are only exempt to the extent they are used with machinery and equipment that qualifies for the statewide Manufacturing Machinery and Equipment Sales Tax Exemption.

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Manufacturers Purchase Credit

What is a Manufacturers Purchase Credit?
The Manufacturers Purchase Credit (MPC) allows manufacturers to buy tangible personal property with no state or local sales tax (up to 9.25%). This new MPC program went into effect on July 1, 2019 and applies to things used or consumed in the manufacturing process such as fuel, pol, lubricants, coolants, solvents, and more. These are items that are used or consumed in the manufacturing process that do not become a part of the product. For more information, contact DCEO at 217-782-7500 or 312-814-7179.

How does the retailer document an exempt sale?
An example of a certificate for exemption is a completed Form ST-587, Exemption Certificate (for Manufacturing, Production Agriculture, and Coal and Aggregate Mining), signed by the purchaser. For each exempt sale, the purchaser using the qualifying machinery and equipment, tools, and production related tangible personal property shall prepare a certificate of exemption stating facts establishing the exemption for that transaction. The purchaser must provide the certificate to the retailer selling the production related tangible personal property. The certificate for the transaction must be retained by the retailer and must be made available to Illinois Department of Revenue for inspection or audit. If the purchaser has an active registration or resale number, that number may be given in lieu of the prescribed certificate. Note: Unless requested, do not send these certificates to the Illinois Department of Revenue.

Pollution Control Facilities Exemption

For eligible businesses, a sales tax exemption is available on tangible personal property (e.g., machinery, equipment, supplies, etc.) used or consumed within the Decatur-Macon County Enterprise Zone in the operation of pollution control facilities. The Illinois Department of Commerce and Economic Opportunity must certify the business as “eligible” to qualify, which means a business must make an investment in the Decatur/Macon County Enterprise Zone that creates a minimum of 200 full time jobs or retains a minimum of 2,000 full time jobs. For more information, contact DCEO at 217-782-7500 or 312-814-7179.

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BUSINESS FINANCING

Tax Exempt Bonds

The Illinois Development Finance Authority has reserved $100 million in tax exempt bonds for use exclusively in Enterprise Zones. Preference is given to projects creating new permanent employment for Enterprise Zone residents and/or persons eligible for services under the Federal Workforce Investment Act.

Eligible expenses include: land and building acquisition; site preparation; purchase of machinery and equipment; building renovation, restoration or remodeling; new construction; and preliminary expenses. For more information, visit www.il-fa.com.

Advantage Illinois - State Small Business Credit Initiative (SSBCI)

The Advantage Illinois - State Small Business Credit Initiative 2.0 Program will leverage $220 million in funding to support small businesses. As part of the State's commitment to equitable supporting small businesses, DCEO will leverage outreach partners that focus on engaging historically underrepresented populations who have faced significant barriers accessing capital. The U.S. Department of the Treasury's SSBCI guidance formally defines those groups as Socially and Economically Disadvantaged Individuals (SEDI) and Very Small Businesses, or businesses with fewer than 10 employees.

Advantage Illinois under SSBCI 2.0 will offer two programs and must result in job creation or retention at the project location.

1. Participation Loan Program (PLP) - helps Illinois businesses get term loan financing at lower rates by purchasing a portion of the loan and lowering the risk for the lenders.
2. Loan Guarantee Program (LGP) - provides a guarantee of partial principal repayment to the lender if a loan goes into default.

Eligibility for Illinois Businesses includes:

- Less than 750 employees
- Operate in the State of Illinois
- Be in good standing with the Illinois Secretary of State (except for sole proprietors)
- Clear of any back taxes
- No bankruptcies, material adverse judgements, or liens in the past 5 years

Funding for these programs may be used for many purposes, including but not limited to: real estate (must be 51% or more occupied by the business), inventory, working capital, equipment, leasehold improvements, and accounts receivable. For more information, contact CEO.SSBCI@illinois.gov.

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WORKFORCE TRAINING

Incumbent Worker Training (IWT) Funding

Incumbent Worker Training (IWT) Funds are available for employers who need or desire to "up-skill" current employees. The United States Department of Labor, working through Local Workforce Innovation Areas, such as Macon and DeWitt Counties' Workforce Investment Solutions, recognize employers' need to "up-skill" employees, especially in times when it is difficult to hire employees with skills required to perform job functions at a competitive level. IWT funds can reimburse an employer up to 100% of eligible training expenses, which could include: tuition, training materials, trainer's fees (can be an in-house trainer), travel, certifications, equipment rental, and off-site training space.

Other training programs may be available. Please inquire with Rocki Wilkerson, Workforce Investment Solutions Executive Director, or Larry Peterson, Employment Specialist, at 217-875-8751 for all training programs available.

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PROJECT APPLICATION FOR ELIGIBILITY FOR SALES TAX EXEMPTION

Decatur-Macon County Enterprise Zone **All fields are required**

Project # (Staff Use)

STEP ONE: PROJECT DETAILS

Name of Business: _____

Project Street Address: _____

Owner's Name: _____

Owner's Address: _____

Project Description (i.e. rehabilitation, new construction, expansion, new location, etc.):

_____

Property ID Number: _____

Federal Employer Identification Number: _____

STEP TWO: BUILDING PERMIT

Is a building permit required for your project?* Yes or No (circle one) If yes, date issued: _____

*If a building permit is not required, we must receive notification from inspector stating one is not required.

STEP THREE: ESTIMATED PROJECT NUMBERS

Please enter any necessary fields with your project's estimated numbers. These do not need to be exact. *MM&E stands for Manufacturing Machinery & Equipment.

Total Project Cost Overall: $ _____ = Land $ _____ + Building Materials $_____

+ MM&E* $ _____ + Labor $ _____ + Other $ _____

Current Employment Count: _____ Estimated Full-Time Job Count At Project Completion: _____

Estimated Completion Date: _____

STEP FOUR: SIGN & SUBMIT

Please attach building permit; a separate Contractor Application form (Addendum B) for EACH contractor purchasing materials for the project ALONG with a list of construction materials and projected costs. A 1/2% Administration Fee based on documented cost of attached construction material lists is assessed, with a maximum fee amount of $50,000 per project. **Send applications and questions to Brandy Poshard at bposhard@decaturedc.com. At conclusion of the project, the owner or project representative must provide the ACTUAL project information related to the completion date, building material, and labor costs and number of FTE.**

Project Representative Printed Name and Title: _____

Project Representative E-mail and Phone Number: _____

Project Representative Signature: _____

CERTIFICATION OF ELIGIBILITY

This is to certify that the project named above is located within the Decatur-Macon County Enterprise Zone and is eligible for the State of Illinois and Local Sales Tax Exemption on building materials associated with rehabilitation, renovation, and/or new construction for this project. Once the rehabilitation, renovation, and/or new construction is complete and all building materials required for this project have been acquired, the owner, general contractor, and/or subcontractors are no longer eligible for exemption for this project.

Any new project on the same site/premises will require a separate certification by the Illinois Department of Revenue. Please retain a copy of this application for your records.

Corporate Seal (Staff Use Only)

_____ _____

Nicole Bateman, Zone Administrator Date Approved

CONTRACTORS APPLICATION FOR SALES TAX EXEMPTION

Decatur-Macon County Enterprise Zone **All fields are required**

Effective July 1, 2013, the Certificate of Eligibility for Sales Tax Exemption for a project in an Illinois Enterprise Zone must be issued by the Illinois Department of Revenue per Public Act 97-905 passed in August of 2012. Each contractor or other entity that purchases building materials to be incorporated into real estate in an Enterprise Zone by rehabilitation, remodeling or new construction are eligible to receive a certificate for sales tax exemption. Please complete all mandatory fields below pursuant to Public Act 97-905. Certificates are issued within five business days with a completed application. The State of Illinois will send the official copy of the Certificate to the e-mail address provided below. The certificate is valid from the date it is issued and will expire in one year from that date or at the close of the project.

STEP ONE: CONTRACTOR INFORMATION

Business Name: _____

Street Address: _____

City, State, Zip: _____

Contact E-mail: _____

Phone Number: _____

FEIN or Applicant ID*: _____

***If you are a sole proprietor using a Social Security Number (SSN) as your business identification number, you must first obtain an "Applicant ID" through the Building Materials Exemption Certificate program at tax.illinois.gov and submit your Applicant ID to the Zone Administrator to apply.**

STEP TWO: PROJECT DETAILS

Name of Project: _____

Address of Project: _____

Total Contractor Project Contract: $ _____ Average Sales Tax Rate: _____%

Total Dollar Amount of Building Materials: $ _____

Percentage of Contract that is Building Materials Qualifying for Exemption: _____%

STEP THREE: MATERIALS LIST

A construction materials list with costs for each category must be attached to complete this application. Any format will be accepted as long as materials are listed with their associated costs.

STEP FOUR: SIGN AND SUBMIT

Statute requires that all building contractors and owners that were issued Certificates of Eligibility for Sales Tax Exemption for projects located in Enterprise Zones to file an annual report on the Illinois Department of Revenue website at tax.illinois.gov/businesses/incentives for the tax incentives received during the prior calendar year. If the report is not submitted by the filing deadline, the Department of Revenue will revoke the certificates issued for any and all of your projects. You will receive notification of deadline and additional information on this annual report from the State. **A 1/2% Administration Fee is required based on the documented cost of the attached building material list.** Each project varies and the business or project representative may take care of the fee on your behalf. If not, each contractor that applies for a certificate will be required to pay this fee. **Application and material list can be sent electronically to Brandy Poshard at bposhard@decaturedc.com.**

_____ _____ _____

Applicant Signature Name and Title Date

DECATUR-MACON COUNTY LOCAL LABOR UTILIZATION PLAN

Decatur-Macon County Enterprise Zone

As part of a developer/taxpayer request to receive property tax abatement for a qualified project which will result in building construction, renovation or rehabilitation costs of $4 million ($4,000,000) or more, said developer/taxpayer and/or their contractors will be required to submit a local labor utilization plan.

This plan must provide for:

1.The equitable opportunity for local labor contractors to submit bids for the skilled craft work required by the project.

2. The developer/taxpayer's planned efforts for utilization of at least 75% of total man hours worked by local labor in the employment of the developer/taxpayer or by any non-local contractors who are awarded work related to the construction of said project.

What percentage of total hours worked on this project were performed by local labor? _____%

List all local labor contractors:

_____

_____

_____

_____

_____

_____

If less than 75% of local labor was achieved on this project, please provide justification for a waiver of the requirement for one of the following reasons:

1. Certain resources are not sufficiently available in the local labor market area.
2. An awarded bid to a lower cost resource provider requires the use of non-local labor in order to meet bid requirements.
3. The use of non-local labor results from requirements associated with any applicable governmental funding for the project.
4. Conflicting obligations exist relative to any contracts or other agreements to which taxpayer is a party or with other policies or programs that may be in effect from time to time.

Local labor is defined as any worker whose primary legal residents is located within the local labor market area as established for the Decatur-Macon County Enterprise Zone designation application.

Said developer/taxpayer will provide such documentation of local labor utilization to the Decatur-Macon County Enterprise Zone Administrator along with information supporting any waiver requests upon completion of the project. The Administrator will review submitted information and may conduct additional inquiry to support making a recommendation to the Enterprise Zone Advisory Board regarding whether the developer/taxpayer and/or their contractors have met the requirements of this Section. Although contingent property tax abatement approval may be granted by the Zone Administrator prior to the beginning of project construction, final approval of the property tax abatement request by the Enterprise Zone Advisory Board is required before initiating the Memorandum of Understanding.

The Decatur-Macon County Zone Administrator will present all disputes and/or appeals concerning the local labor utilization clause of this Ordinance to the Enterprise Zone Advisory Board for final resolution.

Developer/Tax Payer Signature Printed Name Date

SALES TAX EXEMPTION CERTIFICATE SUBMISSION CHECKLIST

Decatur-Macon County Enterprise Zone

If you've never completed a Project Application or Contractors Application, it may present itself as a challenge at first. However, we're here to make it as easy as possible for you. Use the checklist below to make sure you've completed all of the required steps. If you have any additional questions or concerns, please reach out directly to the EDC's Program Manager, Brandy Poshard, at bposhard@decaturedc.com or by phone at 217.422.9520.

I AM A . . . BUSINESS WANTING TO APPLY FOR SALES TAX EXEMPTION.

Great! Let's get started. Use the checklist below to start the process of applying for sales tax exemption.

☐ Confirm that your property is located in the Decatur-Macon County Enterprise Zone.

Visit DecaturEDC.com/incentives to access the Enterprise Zone map. Type in the property address or parcel number in the box on the top right. If the property is in the Enterprise Zone, it will be shaded in blue.

☐ Complete Project Application.

Please complete the Project Application (Addendum A) in full. Be sure to include a copy of the building permit or communication from the governmental unit stating a permit is not required. The Project Application will be approved by Zone Administrator of the Decatur-Macon County Enterprise Zone.

☐ Pay the Administrative Fee.

There is a 1/2% administrative fee based on the cost of building materials. This fee can be invoiced in two ways.

1) The business or project representative may place a deposit for the entire project to cover any fees.

2) The EDC can invoice each individual contractor who wishes to apply for a sales tax exemption certificate.

☐ Instruct Contractors to Complete Contractors Applications.

As the project lead, you'll want to instruct your hired contractors and subcontractors to complete the Contractors Application if they wish to apply for the sales tax exemption on qualifying building materials for the project. Each contractor will need to apply for their OWN certificate. Sales tax exemption certificates must be used at time of purchase; no reimbursements or backdating.

☐ Report Project Wrap-Up Details.

At the conclusion of the project, the owner or project representative must provide the ACTUAL project information related to the completion date, building material and labor costs, and number of employees. The EDC will contact you for these details at project completion.

I AM A . . . CONTRACTOR THAT NEEDS TO APPLY FOR A CERTIFICATE.

If you need a sales tax exemption certificate to purchase qualifying building materials use the checklist below.

☐ Complete Contractors Application.

Please complete the Contractors Application (Addendum B) in full. Also be sure to include a **list of qualifying building materials* you plan to purchase with their associated costs.**

Submit Contractors Application to the EDC.

Once the Contractors Application and list of materials are completed, send directly to the EDC's Administrative Coordinator, Brandy Poshard, at bposhard@decaturedc.com. If application process is completed in full, a certificate will be issued typically within one business day depending on staff availability. Sales tax exemption certificates must be used at time of purchase; no reimbursements or backdating.

Pay the Administrative Fee.

As noted above, there is a 1/2% administrative fee based on the cost of building materials. If the Project Representative wishes to not pay this fee, it is ultimately up to each Contractor who applies for a sales tax exemption certificate to pay the fee. If the fee has not already been paid from the Project Representative, the EDC will invoice the contractor directly.

Report Project Wrap-Up Details.

Statute requires that all building contractors and owners that were issued Certificates of Eligibility for Sales Tax Exemption for projects located in Enterprise Zones to file an annual report on the Illinois Department of Revenue website at tax.illinois.gov/businesses/incentives for the tax incentives received during the prior calendar year. If the report is not submitted by the filing deadline, the Department of Revenue will revoke the certificates issued for any and all of your projects. You will receive notification of deadline and additional information on this annual report from the State.

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*What are some examples of building materials that qualify for sales tax exemption?

According to the Illinois Department of Revenue, in order to qualify for the building materials exemption, the materials being purchased must be building materials. That is, they must be purchased for physical incorporation into real estate. For example, gross receipts from sales of:

1) common building materials such as lumber, bricks, cement, windows, doors, insulation, roofing materials and sheet metal can qualify for the exemption;

2) plumbing systems and components thereof such as bathtubs, lavatories, sinks, faucets, garbage disposals, water pumps, water heaters, water softeners and water pipes can qualify for the exemption;

3) heating systems and components thereof such as furnaces, ductwork, vents, stokers, boilers, heating pipes and radiators can qualify for the exemption;

4) electrical systems and components thereof such as wiring, outlets and light fixtures that are physically incorporated into real estate can qualify for the exemption;

5) central air conditioning systems, ventilation systems and components thereof that are physically incorporated into the real estate can qualify for the exemption;

6) built-in cabinets and other woodwork that are physically incorporated into the real estate can qualify for the exemption.

7) built-in appliances such as refrigerators, stoves, ovens and trash compactors that are physically incorporated into the real estate can qualify for the exemption;

8) floor coverings such as tile, linoleum and carpeting that are glued or otherwise permanently affixed to the real estate by use of tacks, staples, or wood stripping filled with nails that protrude upward can qualify for the exemption.

Source: Illinois Department of Revenue, Amended at 39 III. Reg. 14615, effective October 22, 2015