

**City of Rockford/Community Development Department
Economic Development Division
Assistance Program Information**

| Type of Assistance | River Edge Zone Incentives | | | | | | | | | |
|-----------------------------|--|--|--|---|---|--|--|---|---|---|
| | Property Tax Abatement | Investment Tax Credit | Sales Tax Exemption | Jobs Tax Credit | Dividends Deductions | Interest Income Deduction | Contribution Deduction | IEPA Grants for City of Rockford | Environmental Remediation Tax Credit | DCEO Capital Improvement Grants |
| Amount | 100% City portion of increased taxes due to commercial or industrial construction or rehabilitation | 0.5% of the cost ("basis") of qualified depreciable property. | Sales Tax Exemption (8.25%) | Credit of \$500 per eligible employee | All dividends from corp. doing all business in REZ | Financial institutions may deduct all interest on REZ loans on which investment tax credit is being taken | Businesses may deduct, from taxable income, the value of a cash or in-kind contribution to an approved project of a Designated Zone Organization (DZO). | City of Rockford is eligible for a maximum of \$2,000,000 in grant funds under IEPA's Municipal Brownfields Redevelopment Grant Program | Allows for a credit against state income taxes for some non-reimbursed eligible costs for remediation work completed resulting in a "No Further Remediation Letter " being issued and recorded. | Can be used to reimburse the cost of bondable capital improvements or assist with infrastructure to provide job growth in the zone. |
| Maximum Term | Maximum 3 Years | One time credit but may be taken for addl purchs. of qualified property until 12/31/2037 | May be used multiple times for building materials that become a part of REZ real estate until 12/31/2037 | A minimum of 5 employees must be hired and work 180 consecutive days during business tax year, 30 hrs. per week | Yearly State tax deduction through 2037 | Yearly State income tax deduction for financial institutions | Yearly State income tax deduction for businesses, available through 2037 | Available through 2037 | N/A | N/A |
| Purpose | Revitalize distressed areas and stimulate business growth | Stimulate business growth | Tax incentive to stimulate neighborhood improvement | Tax incentive to stimulate business growth | Tax incentive to stimulate business growth | Tax incentive to encourage River Edge Zone business loans to stimulate growth | Tax incentive to encourage donations to area DZO's that carryout activities that will stimulate business growth and neighborhood improvement | Funds used for coordination of activities related to brownfields redevelopment ranging from assessment to remediation | Tax incentive to stimulate business growth with a focus on the re-use of environmentally challenged property | Tax incentive to stimulate business growth with a focus on the re-use of environmentally challenged property |
| Repayment Terms | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Rate/Fees | Amount of abatement depends on Assessor's determination of increased EAV | N/A | Entire 8.25% sales tax may be exempt on building materials that become a part of REZ real estate | Any unused portion of the credit may be carried forward 5 years. | N/A | N/A | N/A | Grant funds in excess of \$240,000 (what Rockford would normally be able to apply for) must be used for projects located in the REZ. | The credit is 0.25 for each dollar spent for non-reimbursed remediation expenses. Any unused portion of the credit may be carried forward 5 years. | Funds for this grant program are not available until the State of Illinois enacts a Capital Budget |
| Information Required | Abatement application due within 90 days following completion of construction to City of Rockford Community Development Department | Obtained through Illinois Income Tax Form 1299 for Business | Must obtain Zone Administrator's Certification of Project from City of Rockford Community Development Department | Eligible employees must have voucher before hire; Credit is obtained through Illinois Income Tax Form 1299 for Business. | Obtained through IL income tax form 1299 for Business | Financial institutions may deduct all interest on REZ loans on which investment tax credit is being taken using IL Form 1299 | An application is required to be submitted to DCEO for approval on the designated zone organization as well as the proposed project. For more information contact: Mark Gauss/DCEO (217) 785-6145 | Funds may only be used on projects that are publicly owned or will be acquired by the City of Rockford. For more information contact: Elmo Dowd/IEPA (312) 814-5956 | Requires a joint review by the IEPA and DCEO. The property must be in IEPA's Site Remediation Program to receive the NFR letter. | N/A |
| Collateral | N/A | N/A | Completed Purchasers Statement attached to Zone Administrator's Certification (Given to Retailer) | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Guaranty | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Job Creation | Required to obtain 2:1 benefit to cost ratio required by City ordinance | N/A | N/A | Hire at least 5 certified "Dislocated Workers" working at least 6 consecutive months within the business's taxable year | N/A | N/A | N/A | N/A | N/A | N/A |
| Other Requirements | No abatement on land value; REZ location required | REZ location required | With completed paperwork, building materials may be purchased sales tax exempt anywhere IL sales tax is due; REZ location required for use of exempt building materials. | REZ location required; only available in groups of 5 eligible employees hired. Contact: Workforce Investment Office (815)395-6645 or (815)395-6619 to list job openings within a certified REZ. | REZ location required | Requires financial institution to make loans secured by REZ property on which investment tax credit is being claimed | An organization must meet eligibility criteria set forth in The Illinois Income Tax Act, including approval from the City of Rockford and DCEO. Contact DCEO for DZO approval status; before making contributions. | REZ location required | REZ location required. Applications can be obtained from IEPA. Contact Gary P. King (217) 782-0245. | REZ Location required. For more information contact Mark Gauss (217) 785-6145 |