

PROCEDURE/APPLICATION PACKET -ILLINOIS VALLEY ENTERPRISE ZONE

To initiate the procedure for the capture of tax abatement and sales tax relief on Enterprise Zone projects the following forms shall be completed (copies attached):

Certificate of Eligibility for Sales Tax Exemption/Purchaser's Statement Sales Tax Exemption

Commercial/Industrial Information

BUILDING PERMIT

A Building Permit, shall be obtained from the City of LaSalle, Oglesby, Peru, Village of North Utica or LaSalle County. The Illinois Valley Enterprise Zone Project shall be placed on the face of the permit by the Zone Administrator.

After receipt of the Building Permit, the Certificate of Eligibility for Sales Tax Exemption/Purchaser's Statement Sales Tax Exemption and Commercial/Industrial Information forms will be reviewed and approved by the Zone Administrator.

TAX ABATEMENT

The Commercial/Industrial Information form, after review and approval by the Zone Administrator, will be distributed as follows by the Zone Administrator:

1 copy	Superintendent of Assessments Linda Kendall 707 Etna Road Ottawa, Illinois 61350
1 copy	County Clerk JoAnn Carretto Box 430 Ottawa, Illinois 61350
1 copy	Zone Administrator Marci Duro
1 copy	Applicant

PURCHASE OF CONSTRUCTION MATERIAL

To obtain sales tax relief on construction material used in Enterprise Zone projects the proper documentation must be completed, accompanied by a building permit, and submitted to Zone Administrator for approval.

See attached: Legislation Expands E-Zone Sales Tax Exemptions
Required Content -Illinois Enterprise Zone - Public Act 92-0779 (SB1760)
Instruction for Completing

NOTE

PROCESSING

FEE

Effective 11/15/2010 processing fee is \$1,000.00

Check payable to IVAC must accompany application for approval as an Illinois Valley Enterprise Zone project.

IVAC
01/01/03
07/01/06 rev.
11/30/07 rev
11/15/10 rev

ILLINOIS VALLEY ENTERPRISE ZONE

Instructions for Filling Out

CERTIFICATE OF ELIGIBILITY FOR SALES TAX EXEMPTION PURCHASER'S STATEMENT SALES TAX EXEMPTION

1. **LOCATION:** The name of the Enterprise Zone in which the project is located.
 2. **Contact Person:** The name of the person providing information related to the project.
 3. **Phone:** The telephone number where the person listed in #2 above may be reached.
 4. **Street Address:** The common street name address of the project itself.
 5. **City or Village:** The name of the city or village where the project is located.
 6. **Material Description:** This is a description of the building materials to be incorporated as real property into the project within the enterprise zone referenced above in #1 and date of purchase. Invoice number(s) may be used.
 7. **PRINT ... Purchaser:** The PRINTED name of the individual making the purchase.
 8. **Firm/Employer:** The name of the firm employing the purchaser or the name of the firm itself if making the purchase directly.
 10. **Date:** The date **CERTIFICATE OF ELIGIBILITY FOR SALES TAX EXEMPTION/PURCHASER'S STATEMENT SALES TAX EXEMPTION** is completed.
- 'CERTIFIED BY':** The **REQUIRED** signature of the Enterprise Zone Administrator, date and project number.

RETAILER

11. **Retail Employee Signature:** The written signature of the retail employee processing the retail transaction.
12. **Retail Business:** The name of the Retail Business selling the material(s) for the project.
13. **PRINT ... Employee:** The PRINTED name of the retail employee signing in #11 above.
14. **Address:** The street address/city of the Retail Business making the sale of the material(s).

NOTICE TO RETAILERS: This Statement notes State of Illinois and local authority to grant sales tax exemption and points out that retailers should retain copies of documentation for their records. Retailers should consult with the Illinois Department of Revenue when making exempt sales for materials to be incorporated into Illinois Enterprise Zones.

NOTICE TO PURCHASER: This Statement provides that the purchaser may copy the top section of the form for use with multiple retailers or for multiple transactions for the same project. The Purchaser should consult with the Illinois Department of Revenue prior to presenting a Purchaser's Statement to a retailer. Purchasers may be liable for any Illinois Sales Tax found not to be exempt.

LEGISLATION EXPANDS E-ZONE TAX EXEMPTIONS

Legislation expands E-Zone sales tax exemption

Owners and contractors who purchase building materials for eligible Enterprise Zone projects may now purchase those materials sales tax exempt from any retailer as long as Illinois Retailers' Occupation Tax (sales tax) applies to the sale. Previously, in order to qualify for the sales tax deduction, a building material supplier had to have a retail location in one of the cities or counties that sponsored the Enterprise Zone in which the project was located. Purchases may now be made anywhere in Illinois or out-of-state as long as Illinois ROT applies to the transaction. On out-of-state sales, this generally means that building materials must be delivered into the state. For specific 'eligibility requirements of out-of-state sales, contact the Illinois Department of Revenue at 1-800-732-8866, or contact your regional IDOR office.

The new law no longer restricts where materials may be purchased sales tax exempt, but does allow local governments to determine the types of projects eligible for the exemption. Nearly all zones restrict the sales tax exemption to materials purchased for projects that require a building permit. Some zones restrict the sales tax exemption to commercial and industrial projects. Other zones place a minimum investment level or job creation requirement on projects that qualify for the sales tax exemption. These restrictions must be included in the enterprise zone ordinance(s).

The law also mandates that in order to sell materials tax-exempt for a specific project, retailers must have a
"Certificate of Eligibility for Sales Tax Exemption" signed by the Enterprise Zone Administrator.

The certification must include:

- A statement that the building project identified in the certificate meets all of the requirements for the building material exemption contained in the enterprise zone ordinance of the jurisdiction in which the building is located;
- The location or address of the building project; and
- The signature of the administrator of the enterprise zone in which the building project is located.

Retailers also must have a certification from the purchaser that contains:

- A statement that the building materials are being purchased for incorporation into real estate located in an Illinois enterprise zone,
- The location or address of the real estate into which the building materials will be incorporated,
- The name of the 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.

EZ Business

Most Enterprise Zones have combined these two requirements into a single form which is generated by the Enterprise Zone Administrator. The form is filled in by the project owner or contractor, and verified and signed by the zone administrator who keeps a copy and gives the original to the purchaser. The purchaser then distributes the form to all retailers from whom building materials are purchased. The retailer keeps the certificate in his files with copies of invoices from all qualifying purchases made with that certification.

Illinois Department of Revenue Regional Offices

Carbondale	618-529-6450
Chicago	312-814-5232
Des Plaines	847-294-4200
Evergreen Park	708-857-2300
Fairview Heights	618-624-6773
Rock Island	309-788-0149
Rockford	815-987-5210
Springfield	217-782-3336
West Chicago	630-293-8300

**Required Content - Illinois Enterprise Zone
"Certificate of Eligibility for Sales Tax Exemption"
"Purchaser Statement"**

Public Act 92-0779 (SB 1760 Enrolled) Section 5k. Building material exemption:

This language sets forth the requirement that a "Certificate of Eligibility for Sales Tax Exemption be issued by the zone administrator to meet the "qualified sale" requirement in order for the retailer to be allowed to deduct the receipts of sales tax.

"Each retailer who makes a qualified sale of building materials to be incorporated into real estate in an enterprise zone established by a county or municipality under the Illinois Enterprise Zone Act by remodeling, rehabilitation or new construction, 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 real estate as part of a building project for which a Certificate of Eligibility for Sales Tax Exemption has been issued by the administrator of 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 administrator of the enterprise zone into which the building materials will be incorporated."

92-0779 further requires that "The Certificate of Eligibility for Sales Tax Exemption must contain:"

1. a statement that the building project identified in the Certificate meets all the requirements for the building material exemption contained in the enterprise zone ordinance of the jurisdiction in which the building project is located;
2. the location or address of the building project; and
3. the signature of the administrator of the enterprise zone in which the building project is located.

92-0779 further requires that "In addition, the retailer must obtain certification from the purchaser that contains:"

1. a statement that the building materials are being purchased for incorporation into real estate located in an Illinois enterprise zone;
2. the location or address of the real estate into which the building materials will be incorporated;
3. the name of the enterprise zone in which that real estate is located;
4. a description of the building materials being purchased; and
5. the purchaser's signature and date of purchase.

92-0779 allows limitation of the deduction, "to the extent authorized by ordinance, .•. The ordinance, however, may neither require nor prohibit the purchase of building materials from any retailer or class of retailers in order to qualify for the exemption allowed under this Section. "

ILLINOIS VALLEY ENTERPRISE ZONE (IVEZ)

Marci Duro, Zone Administrator
300 Bucklin - P. O. Box 446 -- LaSalle, Illinois 61301

Phone: 815/223-0227 e-mail: ivaced@ivaced.org Fax: 815/223-4827

CERTIFICATE OF ELIGIBILITY FOR SALES TAX EXEMPTION
PURCHASER'S STATEMENT SALES TAX EXEMPTION

The undersigned purchaser hereby declares that the building materials herein purchased will be physically incorporated as real property exclusively into real estate located within the Illinois Valley Enterprise Zone for the project. For certification that specific property is located within the Illinois Valley Enterprise Zone contact the Zone office above.

1. LOCATION: Illinois Valley Enterprise Zone #17

2. Contact Person

3. Phone

4. Project Street Address

5. City or Village

6. Material Description or Invoice Number(s)

AND

Date of Purchase

7. PRINT Name of Purchaser

8. Firm or Employer of Purchaser

9. Signature of Purchaser

10. Date

The building project identified in this Certificate meets all the requirements for the building material exemption contained in the enterprise zone ordinance of the jurisdiction in which the building project is located.

CERTIFIED BY: Marci Duro, Administrator

Date:

Project Number:

RETAILER SECTION

11. Retail Employee Signature

12. Retail Business Name

13. PRINT Name of Employee

14. Address of Retail Business

NOTICE TO RETAILERS: Retailers are authorized and may exempt the State of Illinois' and local sales tax on the above referenced material(s) if the sale is for building materials for physical incorporation into real estate in an Illinois enterprise zone and if the exemption is to the extent authorized by ordinance by the municipality/county that created the enterprise zone into which the building materials will be incorporated. The sales tax covered hereunder is recorded as a deduction on the sales tax return (ST-1). Retailers should keep a copy for their records of the invoice(s) noted on the above statement and a copy of this Certificate/Purchaser's Statement.

NOTICE TO PURCHASER: Once you have completed the top half of this form, it can be duplicated to provide to each retailer you make purchases from with a copy.

ATTACH COPY OF BUILDING PERMIT

COMMERCIAL/INDUSTRIAL INFORMATION

COMPLETE PARTS I AND II ONLY

PART I – PROJECT INFORMATION

- A. **Business Name of Project:** _____
- B. **Street Address:** _____
- C. **Location of Proposed Project:** LaSalle ____ Oglesby ____ Peru ____ Utica ____ Unincorporated LaSalle County ____
- D. **Name of Business/Company (if different from applicant):** _____
- E. **Street Address of Proposed Project:** _____
- F. **Boundaries of Proposed Project:** (Attach legal description of property if available, or provide general description using streets, alleys, railroads, or other such features. Be sure to include any existing facilities which will be incorporated into the project. _____

- G. **Description of Proposed Project:** Provide a general description of the proposed project including the general nature of improvements relating to any rehab/remodeling of existing structures, new construction, size, major paving or new equipment.

- H. **Contractor Name/Address:** _____
- I. **Expected Project Start Date:** _____ **Project Completion** _____
- J. **Estimated Cost of Improvements:**

Rehab/Remodeling:	\$	_____
New Construction:	\$	_____
Capital Equipment:	\$	_____
- K. **# of Full-Time Jobs Presently at Project Location:** Professional _____ Skilled _____
- L. **# of Jobs to be Retained as a Result of this Project:** Professional _____ Skilled _____
- M. **# of Full-Time Jobs to be Created upon Completion of Project:** Professional _____ Skilled _____
- N. **# of Additional Jobs to be Created within One Year of Completion:** Professional _____ Skilled _____
- O. **Does this Project Involve Move from Another Location?:** Yes _____ No _____
If Yes, Show Address _____

PART II – GENERAL INFORMATION

- A. **Property Tax ID #:** _____
- B. **Classification:** Commercial ____ Industrial ____
- C. **Building Permit #:** _____
- D. **Date Building Permit Issued:** _____
- E. **FEIN #:** _____
- F. **UIN # (IL Unemployment #):** _____

Signature – Project Representative

Title – Project Representative

Approved – Marci Duro, Zone Administrator

Date Approved

ATTACH COPY OF BUILDING PERMIT

DO NOT COMPLETE THIS SECTION

(for use by County Assessor)

PART III – ESTIMATED TAX ABATEMENT

A. EAV of Project at Time of Permit Issue:

Land \$ _____
Improvements \$ _____
Total \$ _____

B. Estimated EAV of Project Site following Project Improvements:

Land \$ _____
Improvements \$ _____
Total \$ _____

C. Tax Rate Currently Eligible for Abatement: \$ _____ per \$100 EAV

D. Estimated Tax Abatement - First Year: \$ _____

E. Estimated Tax Abatement – Ten Years: \$ _____

PART IV – VERIFICATION OF ACTUAL TAX ABATEMENT

A. Actual Increase in EAV: \$ _____

B. Tax Rate Abated per \$100 EAV: \$ _____

C. Actual Taxes Abated – First Year: \$ _____

D. Date Tax Abatement Ordered: _____

<u>TAX YEAR</u>	<u>TAX RATE</u>	<u>ACTUAL TAXES ABATED</u>
20 _____	\$ _____	\$ _____
20 _____	\$ _____	\$ _____
20 _____	\$ _____	\$ _____
20 _____	\$ _____	\$ _____
20 _____	\$ _____	\$ _____
20 _____	\$ _____	\$ _____
20 _____	\$ _____	\$ _____
20 _____	\$ _____	\$ _____
20 _____	\$ _____	\$ _____
20 _____	\$ _____	\$ _____