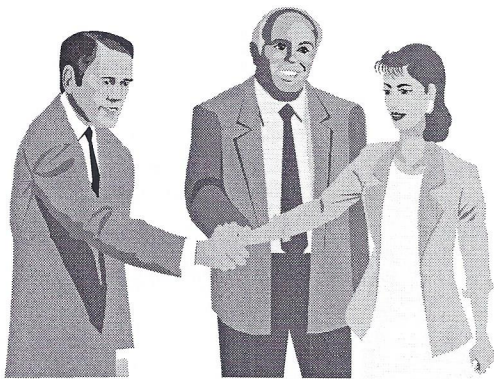


# SALEM URBAN ENTERPRISE ASSOCIATION



# TAX INCENTIVE GUIDE BOOK



201 E Market Street, Suite 104  
Salem, Indiana 47167  
Phone: 812-883-8803  
Cell: 812-620-5809  
Email: [director@wcegp.org](mailto:director@wcegp.org)

Salem Urban Enterprise Zone was established effective January 1, 2003, and is established for a 10-year period ending December 31, 2012, unless an extension is granted. The City of Salem granted an extension of the SUEZ for an additional 5-year period, making the zone expiring December 31, 2017. In 2018 and again in 2024, the Salem City Council granted another extension for the SUEZ, making the zone expiring December 31, 2028.

With the elimination of the inventory tax in the state of Indiana and specifically Washington County, the primary tax incentive for businesses to join the Enterprise Zone has been eliminated. However, other incentives remain available and future incentives may be offered.

### **Business Participation Requirements**

1. Any business located within the Zone may take advantage of the incentives available. The business must then file an Enterprise Zone Business Registration (EZB-R) form by June 1<sup>st</sup> of the year following the calendar year for which the tax incentives were utilized. Therefore, any zone business that utilizes any of the incentives for tax year 2023 must file the EZB-R form by June 1, 2024.
2. Participation Fee: The participation fee is a percentage of the tax benefits (or savings) claimed. The participation fee for the SUEZ is 35% of the total zone tax savings. The taxpayer must also pay a percentage (1%) Registration fee to the State Urban Enterprise Zone Board if the zone benefits claimed exceed \$1,000 (example: business saves \$5,000; SUEZ participation fee is \$1,750; state registration fee is \$50)
3. A business must remain open and operating as a zone business for twelve (12) months of the assessment year for which the incentive is claimed.
4. Reinvestment Required: As a participant of the zone, the business is required to reinvest all of its tax savings (except for the registration fee and participation fee) for its property or employees in the zone. Examples include additional capital expenditures for buildings, machinery or equipment; additional inventory investment; or increase in total compensation for all zone resident employees.

**To access all tax forms, visit [www.wcegp.org](http://www.wcegp.org).**



## **EMPLOYEE EXPENSE CREDIT**

Zone employers can earn tax credits for employing zone residents. Credit is subtracted from business state tax liability based on wages paid to employees who live in the zone and work at least 50% of the time in the zone on a job related at least 90% of the time to the zone facility. In the case of an individual who is employed by a taxpayer that is a pass-through entity, the zone resident employee must be first employed by the taxpayer after December 31, 1998.

The enterprise zone employer may take a tax credit which is the lesser of 10 percent (10%) of the INCREASE in wages paid to qualified employees (as defined above) or \$1,500 multiplied by the number of qualified employees. This credit is calculated on Schedule EZ which is filed with the annual tax return.

If a pass-through entity is eligible for Enterprise Zone credits but does not have state tax liability against which the credits may be applied, then an individual who is a partner, shareholder, beneficiary, or member of the entity is entitled to the credit. The credit may be made in the amount of the tax credit multiplied by the percentage of pass-through entity's distributive income to which the individuals are entitled.

Zone employers would have to participate and file the EZB-R registration by June 1, 2024, for tax savings generated by this credit.

See Indiana Department of Revenue [www.in.gov/dor/3515](http://www.in.gov/dor/3515) for additional information.

## **EMPLOYEE WAGE DEDUCTION**

The employee tax deduction means that a qualified employee's wages, up to \$7,500, are exempt from Indiana individual income tax. A "qualified employee" is one who lives in the enterprise zone, works at least 50% of his or her time in the enterprise zone and has at least 90% of his or her services are directly related to the company, nonprofit, state or federal government entity in the enterprise zone. This includes pass-through

entities. One half of the adjusted gross income earned from a zone business, up to \$7,500 may be deducted before taxes are calculated. At the current tax rate of 3.4% this could be worth up to \$255 in tax savings for qualified employees.

Zone employers need should provide its qualified employees Form IT-40 QEC. Employers will provide information as to the amount of compensation for the tax year during the period of residence in the Enterprise Zone. The qualified employees will take half of that amount or \$7,500, whichever is less, as a deduction on their Indiana state income tax return as "Other Indiana Deduction," Line F.

The employer does NOT need to file Form EZB-R nor pay any registration or participation fee for this incentive.

### **INVESTMENT COST CREDIT**

Individuals purchasing an ownership interest in a business in the zone may be eligible for a credit of up to 30% of the investment on their state tax liability. The exact percentage depends on the following:

1. Type of business (manufacturer, retail, professional, high technology, or warehouse).
2. Amount of investment in real estate and personal property
3. Number of new jobs and percentage of those new jobs that will be reserved for zone residents.
4. Equity financing.

The investment must be on a business or investment located within the enterprise zone. The investment must be from a new investor. Increased investment by current investors does not qualify.

No registration or fee is required.

Approval from the Indiana Department of Revenue (IDOR) must be obtained PRIOR to the investment purchase. The Department will determine the percentage to be applied toward the state tax liability. If IDOR approves the investment purchase as a qualified investment, they will send certification documents for the investor to attach to their individual income tax return.

Contact IDOR at 1-800-457-8283 for more information.



## LOAN INTEREST CREDIT

An individual or business that pays taxes in Indiana is entitled to a 5 percent (5%) tax credit on interest income from a loan that benefits businesses or residents of an Enterprise Zone. To qualify, the loan must directly benefit an Enterprise Zone business; increase the assessed value of real property in an Enterprise Zone; or be used to rehabilitate, repair or improve a residence in a zone.

The lender does not need to be located in the zone to claim benefits. The loan interest credit can be applied to reduce the adjusted gross income tax (excluding any county income tax), supplemental net income tax, bank tax, savings and loan association tax and/or the financial institutions tax.

To claim the loan interest credit, Schedule LIC is filed with annual tax return. This credit can be carried forward for ten (10) years.

The lender, an individual or business, must register with the Association of Indiana Enterprise Zones and the Salem Urban Enterprise Zone Association to claim benefits. The lender must file the Form EZB-R and pay the participation and registration fees.

## **Salem Urban Enterprise Zone Association**

201 E. Market Street, Suite 104  
Salem, IN 47167

Re: Enterprise Zone Form EZB-R

Business Owners, Executives or Managers:

The four tax credits that were available to businesses this past year were the Employee Income Tax Deduction, Employment Expense Credit, Loan Interest Credit and Investment Cost Credit. More information about each tax credit is included in this packet. Those who did not take advantage of these tax credits are encouraged to discuss the potential benefits with your tax advisor and possibly file an amended return.

For those businesses who took advantage of available tax credits, enclosed is form EZB-R which is required to be completed and submitted by June 1, 2024. Part II of the form details the tax savings that your business received. On line 18 is the Total Tax Savings.

If your business tax savings totaled more than \$1,000.00, you will need to remit 1% of your total tax savings (enter amount in line 19) to Association of Indiana Enterprise Zones. Even if your tax savings were not more than \$1,000. This form **MUST STILL BE FILED**. The original EZB-R form and applicable Registration Fee (if any) are to be mailed to:

**Association of Indiana Enterprise Zones  
P.O. Box 1322  
Evansville, IN 47706**

On line 20, enter the amount of Financial Compliance to the Salem Urban Enterprise Zone Association. This is calculated at 35% times the Total Tax Savings on line 18. This participation fee and a copy of the form EZB-R are to be mailed no later than June 1, 2024, to:

**Salem Urban Enterprise Zone Association  
C/O First Savings Bank  
1336 South Jackson Street  
Salem, IN 47167**

The other 64% of your tax savings are required to have been reinvested in YOUR company either through increased zone wages or increased property or plant equipment (which most of you probably did anyway whether you had a tax credit or not). This compliance is shown in part III lines 21-22. Be sure to keep a copy for your records.



Below are some examples to help you understand the fee per tax savings:

Example 1 : Tax savings of \$500.00

|  |  |
|--|--|
| Total tax savings (from line 18)   | \$500.00                               |
| Registration fee to<br>Association of IN Enterprise Zones (line 19)          | \$0.00 must still file Original EZB-R  |
| Participation fee to<br>Salem Urban Enterprise Zone<br>Association (line 20) | \$175.00 send check with copy of EZB-R |

Example 2: Tax savings of \$2,000.00

|  |  |
|--|--|
| Total tax savings (from line 18)   | \$2,000.00                             |
| Registration fee to<br>Association of IN Enterprise Zones (line 19)          | \$20.00 send check with original EZB-R |
| Participation fee to<br>Salem Urban Enterprise Zone<br>Association (line 20) | \$700.00 send check with copy of EZB-R |

Indiana Department of Revenue  
**Schedule EZ 1, 2, 3**

Tax Year Ending: Month \_\_\_\_\_ Year \_\_\_\_\_

**To Determine Enterprise Zone Adjusted Gross Income  
for Employment Expense Tax Credit**

**Part 1 A**

|  |  |   |   |   |
|--|--|---|---|---|
| Name   |  | Federal Employer Identification Number        |   |   |
| (Round all entries. Enter percent to two decimals, e.g., 67.89%.)  |  |   |   |   |
|  |  | <b>Column A<br/>Total Within<br/>the Zone</b> | <b>Column B<br/>Total Within and<br/>Outside the Zone</b> | <b>Column C<br/>Percent<br/>Within the Zone</b> |
| <p><b>1. Receipts Factor</b> (less returns and allowances):</p> <p>(a) Sales delivered or shipped to the enterprise zone</p> <p>(1) Shipped from within the zone..... 00</p> <p>(2) Shipped from outside the zone ..... 00</p> <p>(b) Sales shipped from the zone to:</p> <p>(1) The United States government..... 00</p> <p>(2) A location outside a zone where the only sales activity consists of the solicitation of orders which may be accepted but are not subject to approval or rejection at such location (for years beginning prior to Jan. 1, 2016)..... 00</p> <p>(c) Interest income and other receipts from extending credit attributed to the zone ..... 00</p> <p>(d) Other gross business receipts not previously apportioned ... 00</p> |  |   |   |   |
| <p><b>2. Total Receipts:</b> Add column A, lines 1(a) through 1(d); enter all receipts in column B..... 00</p>   |  |   | 00  |   |
| <p><b>3. Adjusted Receipts Percent Within Zone:</b> Divide total receipts, column A by amount in column B; enter percent within zone here .....</p>  |  |   |   | %   |

**To Determine Allocated Non-business/Non-unitary  
Enterprise Zone Income for Employment Expense Tax Credit**

**Part 1 B**

Allocate, using the provisions of IC 6-3-2-2(g), any income classified as non-business derived from sources within the zone and from sources everywhere.

- (1) Dividends (not from DISC or FSC) (excess after dividend deduction).....
- (2) Interest (other than U.S. government interest).....
- (3) Net capital gains or losses .....
- (4) Rents and royalties from tangible personal property.....
- (5) Patents, copyrights, and royalties from intangible property.....
- (6) Other non-business income .....
- (7) Distributive share income from non-unitary partnerships and tiered partnerships .....
- (8) Less other related expenses for non-business income.....
- (9) Net non-business and non-unitary partnership/tiered income or loss (add lines 1 through 7; subtract line 8 for each column).....

| Zone Sources<br>Column A |    | Zone Sources<br>Column B |    |
|--------------------------|----|--------------------------|----|
| 1                        | 00 | 1                        | 00 |
| 2                        | 00 | 2                        | 00 |
| 3                        | 00 | 3                        | 00 |
| 4                        | 00 | 4                        | 00 |
| 5                        | 00 | 5                        | 00 |
| 6                        | 00 | 6                        | 00 |
| 7                        | 00 | 7                        | 00 |
| 8                        | 00 | 8                        | 00 |
| 9                        | 00 | 9                        | 00 |





**Part 2 Enterprise Zone Employment Expense Tax Credit Calculation**

|  |  |                                    |    |   |  |  |
|--|--|------------------------------------|----|---|--|--|
| Name   | Federal Employer Identification Number |                                    |    |   |  |  |
| Indicate type of income tax return to be filed by employer (Check one): <input type="checkbox"/> Individual Form IT-40/IT-40PNR <input type="checkbox"/> Nonprofit Form IT-20NP <input type="checkbox"/> Corporation Form IT-20 <input type="checkbox"/> Financial Institution Form FIT-20 <input type="checkbox"/> S Corp. Form IT-20S* <input type="checkbox"/> Partnership Form IT-65* <input type="checkbox"/> Fiduciary Form IT-41* |  |                                    |    |   |  |  |
| <b>Location Name of Enterprise Zone(s) or Airport Development Zone</b>   | <b>Base Period Year</b>                | <b>Base Period Qualified Wages</b> |    | <b>Current Tax Year Qualified Wages</b> |  |  |
| 1. Qualifying wages attributed to zone (pass-through entities enter zero on line 1a) .....   | 1a                                     | 00                                 | 1b | 00                                      |  |  |
| 2. Qualified increase (subtract line 1a from line 1b) .....  |  |                                    | 2  | 00                                      |  |  |
| 3. Multiply line 2 by 10% (0.10).....  |  |                                    | 3  | 00                                      |  |  |
| 4. Number of qualified employees (except for pass-through entities, number first employed after 12-31-1998): _____ X \$1500 .....  |  |                                    | 4  | 00                                      |  |  |
| 5. Enter the lesser of line 3 or line 4 (this is your current year employment expense credit).....   |  |                                    | 5  | 00                                      |  |  |
| 6. Current year federal adjusted gross income after Indiana modifications (see instructions) .....   | 6                                      | 00                                 |    |   |  |  |
| <i>Entities subject to insurance premium tax or financial institutions tax skip to line 15.</i>  |  |                                    |    |   |  |  |
| 7. Non-business income from all sources from Part 1B, line 9 of column B .....   | 7                                      | 00                                 |    |   |  |  |
| 8. Net taxable business income (subtract line 7 from line 6) .....   | 8                                      | 00                                 |    |   |  |  |
| 9. Apportionment percentage from Part 1A, line 3 for taxable year .....  | 9                                      | 00                                 |    |   | <b>Line 9:</b><br>Apportionment formula in effect for your taxable year. |  |
| 10. Enterprise zone business income (multiply line 8 by line 9) .....  | 10                                     | 00                                 |    |   |  |  |
| 11. Non-business enterprise zone income from Part 1B, line 9 of column A.....  | 11                                     | 00                                 |    |   |  |  |
| 12. Enterprise zone net operating loss deduction (see instructions) .....  | 12                                     | 00                                 |    |   |  |  |
| 13. Total "enterprise zone adjusted gross income" (add line 10 and line 11; subtract line 12) .....  | 13                                     | 00                                 |    |   |  |  |
| 14. Enterprise zone adjusted gross income tax (multiply line 13 by tax rate). See instructions for current individual and corporate tax rates.....   |  |                                    | 14 | 00                                      |  |  |
| 15. <b>This is your qualified state tax liability:</b> Enter the amount from line 14, the net financial institution tax, or insurance premium tax attributed to the enterprise zone. <i>A pass-through entity with no tax liability will enter zero.</i> .....   |  |                                    | 15 | 00                                      |  |  |
| 16. Enter the <b>lesser</b> of line 5 (plus applied carryover credit) or line 15. If line 15 exceeds line 5, <b>add</b> your available unused carryover credit from other tax years, up to the remaining amount of your qualified state tax liability .....  |  |                                    | 16 | 00                                      |  |  |
| <i>(Carry this amount to the appropriate credit entry line on the annual corporate or individual income tax return. Pass-through entities with no income tax liabilities enter the pro rata share of credit from line 5 above, on Form IN K-1.)</i>  |  |                                    |    |   |  |  |
| 17. Unused credit carryover: If line 5 exceeds line 15, enter the excess here and on Part 3.....   |  |                                    | 17 | 00                                      |  |  |

I certify I have examined this schedule and, to the best of my knowledge and belief, it is true, correct, and complete. I further certify that Indiana business activities were not substantially reduced for the purpose of relocating the business in an enterprise zone.

Signature \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_



2410000000

**Part 3 Employment Expense Tax Credit Carryover for Enterprise Zone Tax Liability**

| <b>Year of Credit</b>     | <b>Credit Carryback</b>    | <b>Period Ending</b> | <b>Qualified Tax Liability Applied</b> | <b>Remaining Excess Credit</b> |
|---------------------------|----------------------------|----------------------|--|--------------------------------|
| _____                     | 3rd preceding tax year     | _____                | \$ _____                               | \$ _____                       |
|                           | 2nd preceding tax year     | _____                | \$ _____                               | \$ _____                       |
|                           | 1st preceding tax year     | _____                | \$ _____                               | \$ _____                       |
| <b>Amount of Excess</b>   |                            |                      |  |                                |
| <b>Credit from Part 2</b> | <b>Credit Carryforward</b> |                      |  |                                |
|                           | 1st following tax year     | _____                | \$ _____                               | \$ _____                       |
| _____                     | 2nd following tax year     | _____                | \$ _____                               | \$ _____                       |
|                           | 3rd following tax year     | _____                | \$ _____                               | \$ _____                       |
|                           | 4th following tax year     | _____                | \$ _____                               | \$ _____                       |
|                           | 5th following tax year     | _____                | \$ _____                               | \$ _____                       |
| <b>Location Name of</b>   | 6th following tax year     | _____                | \$ _____                               | \$ _____                       |
| <b>Enterprise Zone(s)</b> | 7th following tax year     | _____                | \$ _____                               | \$ _____                       |
|                           | 8th following tax year     | _____                | \$ _____                               | \$ _____                       |
| _____                     | 9th following tax year     | _____                | \$ _____                               | \$ _____                       |
|                           | 10th following tax year    | _____                | \$ _____                               | \$ _____                       |



2410000000



## Instructions for Completing Schedule EZ 1, 2, 3

### General Information

Taxpayers doing business within an enterprise zone and remaining in good standing with the Indiana Economic Development Corporation (IEDC) may qualify for an adjusted gross income or financial institution tax credit. Use EZ schedules to determine the amount of income tax liability credit for qualified employment expense.

**Part 1 A & B** - Taxpayers with any business activity or income derived from sources both within and outside an enterprise zone may be required to allocate and apportion their income. Use designated Part 1A of Schedule EZ to determine the apportionment percentage for enterprise zone income. **Note:** A taxpayer is exempt from the allocation and apportionment provision if it:

- (1) Does not own, rent, or lease real property outside of an enterprise zone that is an integral part of its trade or business; and
- (2) Is not owned or controlled directly or indirectly by a taxpayer that owns, rents, or leases real property outside of an enterprise zone.

In such cases the taxpayer will attribute all income to the zone.

**Part 2** - Use Part 2 of Schedule EZ to determine the tax credit for qualified increased enterprise zone employment expenditures. If the calculated employment expense credit exceeds the qualified state tax liability, you also must complete Part 3.

**Part 3** - Use Part 3 of Schedule EZ to claim a carryover of employment expense credit and to record the remaining amount of unused credit.

The certification at the bottom of Part 1B must be signed by any taxpayer using either Part 1 or Part 2 of the schedule. Taxpayers doing business in more than 1 enterprise zone should complete a separate schedule for each zone if there are different base years. Refer to the detailed instructions for each part. For more information, see Income Tax Information Bulletin #66 at [www.in.gov/dor/files/reference/ib66.pdf](http://www.in.gov/dor/files/reference/ib66.pdf).

### Part 1A - Apportioned Enterprise Zone Adjusted Gross Income for Employment Expense Tax Credit

If the income of a taxpayer is derived from sources both within and outside an enterprise zone, the adjusted gross income attributed to the zone must be determined by use of an apportionment formula unless written permission from the Indiana Department of Revenue is granted or the statute exempts the taxpayer.

**Line 1 (a) (b) (c) (d) - Receipts Factor:** The gross receipts factor is a fraction. The numerator is the total receipts of the taxpayer during the tax year, and the denominator is the total receipts of the taxpayer everywhere during the tax year. The numerator of the receipts factor must include all sales made in the zone, sales made from the zone to the United States government. Pursuant to IC 6-3-2-2(e)(2), for periods beginning prior to Jan. 1, 2016, include sales made from the zone to a state that does not have jurisdiction to tax the activities of the seller.

For purposes of the employment expense credit, the numerator will also contain intangible income attributed to Indiana, including interest from consumer and commercial loans, installment sales contracts, and credit/debit cards as prescribed under Indiana Code (IC) 6-3-2-2.2.

Total receipts include gross sales of real and tangible personal property less returns and allowances. Sales of tangible personal property are in a zone if the property is delivered or shipped to a purchaser within the zone regardless of the free on board (f.o.b.) point or other conditions of sale or if the property is shipped from an office, a store, a warehouse, a factory, or any other place of storage in a zone and the taxpayer is not taxable in the state of the purchaser.

Sales or receipts not specifically assigned above will be assigned as follows:

- (1) Gross receipts from the sale, rental, or leases of real property are in a zone if the real property is in the zone;
- (2) Gross receipts from the rental, lease, or licensing the use of tangible personal property are in a zone if the property is in the zone. If the property was both within and outside the zone during the tax year, the gross receipts are considered in the zone to the extent the property was used in the zone;
- (3) Gross receipts from intangible personal property are in a zone if the taxpayer's commercial domicile is in the zone and such property has not acquired a business situs elsewhere; and
- (4) Gross receipts from the performance of services are in a zone if the services are performed in the zone. If such services are performed partly within and partly outside the zone, part of the gross receipts from the performance of the services will be attributed to the zone based upon the ratio of direct costs incurred in the zone to the total direct costs of the services, unless the taxpayer can directly attribute the service to the zone.

**Sales to the United States Government:** The United States government is the purchaser when it makes direct payment to the seller. A sale to the U.S. government of tangible personal property is in a zone if it is shipped from an office, a store, a warehouse, or an other place of storage in the zone. Refer to the previous guidelines for sales other than tangible personal property if such sales are made to the U.S. government.

**Total Receipts:** Add receipts factor lines (a) through (d). Also enter receipts from everywhere in column B.

**Adjusted Receipts Percent Within Zone:** Divide the receipt total in column A by the total from column B.

Enter the result in line 1 of column C.

### Part 1 B - Allocated Non-business/Non-unitary Enterprise Zone Income for Employment Expense Tax Credit

Complete this part if you are apportioning gross receipts and are excluding any income that is considered non-business income.

**Lines (1) and (2):** Interest (long-term) and dividends from non-business sources are allocable to an enterprise zone if the taxpayer's commercial domicile is in the zone. Dividends from foreign sales corporations (Foreign Sales Corporation (FSC) or Domestic International Sales Corporation (DISC)) are treated as business income and must be apportioned.



**Line (3):** Net capital gains or losses (sales price less acquisition cost) from the sale of non-business personal property are allocated to an enterprise zone if the property had its primary business location in the zone at the time of the sale or the taxpayer's commercial domicile is in the zone. Include net capital gain or loss from the sale or exchange of all real property located in an enterprise zone not used in the production of business income.

**Line (4):** Rents and royalties from tangible personal property are allocated to an enterprise zone if the property is located in the zone and is non-business related.

Gross rents and royalties from non-business-related tangible personal properties are allocated to an enterprise zone to the extent the property is located or utilized in the zone:

- (a) The extent of utilization is determined by multiplying the rents and royalties by a fraction. The numerator is the number of days of physical location of the property in the zone during the rental or royalty periods in the tax year.  
The denominator is the number of days of physical location of the property everywhere during the rental or royalty periods in the tax year.
- (b) Such rents and royalties are wholly allocated to an enterprise zone if the taxpayer's commercial domicile is in the zone.

**Line (5):** Patents and copyrights and royalties from intangible property not related to the production of business income are allocated to an enterprise zone to the extent they are utilized by the taxpayer in the zone or the taxpayer's commercial domicile is in the enterprise zone.

A patent is utilized in a zone to the extent the taxpayer employs it in production or other processing in the zone or produces a patented product in the zone.

A copyright is utilized in a zone to the extent printing or other publications originated in the zone.

**Line (6):** Enter other non-business income not provided for in lines 1 through 5. Explain other non-business income on a separate schedule and attach it to the return.

**Line (7):** Enter in column A apportioned Indiana income, as modified, from Form IT-65 Schedule IN K-1, and any portion of tiered partnership income attributed to the zone. Enter in column B the total non-unitary partnership and tiered partnership income reported on the federal return.

**Line (8):** Enter all related non-business expenses other than state income taxes.

**Line (9):** For net non-business and non-unitary partnership income or loss, add lines 1 through 7; subtract line 8 for each column.

**Part 2 - Enterprise Zone Employment Expense Tax Credit Calculation**

IC 6-3-3-10 provides a credit against qualified state tax liability to certain enterprise zone employers. The credit is the lesser of 10% of the increase in wages paid to qualified employees or \$1,500 multiplied by the number of qualified employees. A qualified employee is an individual who:

- (1) Has a principal place of residence in the enterprise zone in which he or she is employed;
- (2) Performs services of which 90% are directly related to the conduct of the taxpayer's trade or business located in an enterprise zone;
- (3) Performs at least 50% of his or her service for the taxpayer in the zone; and
- (4) In the case of an individual who is employed by a taxpayer that is a pass-through entity, was first employed by the taxpayer after Dec. 31, 1998.

Except for employers who are defined as pass-through entities, an increase in wages is determined by subtracting wages paid to employees that could qualify in the base year from wages paid to qualified employees in the current tax year. The base year is the 12-month period immediately preceding the month in which an enterprise zone is established. Divide the annual base period qualified EZ employee wages by 12 to find the monthly base period wages.

Taxpayers whose tax years do not coincide with the designation of an enterprise zone must prorate their qualified wages for the period after designation. For the year in which an enterprise zone is designated, fiscal year taxpayers should prorate their qualified wages.

| Enterprise Zone                   | Base Year                        |
|-----------------------------------|----------------------------------|
| Bedford                           | 12 months preceding Feb. 1, 1993 |
| Bloomington                       | 12 months preceding Feb. 1, 1992 |
| Connersville                      | 1994                             |
| East Chicago                      | 1988                             |
| Elkhart                           | 1998                             |
| Evansville                        | 2003                             |
| Ft. Harrison Reuse Authority      | 12 months preceding Dec.1, 1997  |
| Ft. Wayne                         | 2003                             |
| Frankfort                         | 2002                             |
| Hammond                           | 1984                             |
| Jeffersonville                    | 1999                             |
| Lafayette                         | 12 months preceding Feb. 1, 1993 |
| La Porte                          | 2001                             |
| Michigan City                     | 2003                             |
| Mitchell                          | 2000                             |
| New Albany                        | 1999                             |
| Portage                           | 2000                             |
| Richmond                          | 2004                             |
| River Ridge Development Authority | 12 months preceding Feb. 1, 1998 |
| Salem                             | 2002                             |
| South Bend                        | 2004                             |
| Vincennes                         | 2001                             |

Qualified state tax liability means each taxpayer's total income or financial institution tax liability incurred under:

- (1) IC 6-3-1 through 6-3-7 (state adjusted gross income tax) with respect to enterprise zone adjusted gross income;
- (2) IC 27-1-18-2 (insurance premiums tax) with respect to enterprise zone insurance premiums; and



- (3) IC 6-5.5 (financial institutions tax) as computed after the application of the credits that, under IC 6-3.1-1-2, are to be applied before this credit.

Pass-through entity means a:

- (1) Corporation that is exempt from adjusted gross income tax under IC 6-3-2-2.8(2) (S corporation);
- (2) Trust;
- (3) Limited liability company; or
- (4) Partnership.

If a pass-through entity is entitled to a credit but does not have a state tax liability against which the tax credit may be applied, an individual who is a shareholder, partner, beneficiary, or member of the pass-through entity is entitled to a pro rata share of the computed tax credit.

If the credit exceeds the taxpayer's qualified state tax liability for the taxable year, the taxpayer can carry any excess credit back 3 years and forward up to 10 years until the enterprise zone terminates.

**Caution:** An eligible enterprise zone employer for purposes of the employment expense credit cannot be a governmental agency or nonprofit organization (with no unrelated tax liability).

For additional information, get Income Tax Information Bulletin #66 at [www.in.gov/dor/files/reference/ib66.pdf](http://www.in.gov/dor/files/reference/ib66.pdf).

Contact the Indiana Economic Development Corporation, 1 N. Capitol Ave., Suite 700, Indianapolis, IN, 46204, or visit their website at [iedc.in.gov](http://iedc.in.gov) for more information.

**Line 1:** Enter base period year. For a pass-through entity, enter 1999. Enter on line 1a the amount of base period wages paid; except for pass-through entities, base period wages will be 0. Enter on line 1b the amount of wages paid to qualified employees during the current year. However, pass-through entities must enter the amount of wages paid to only qualified employees, newly hired since 1999, during the current tax year. Wages paid to otherwise qualified employees who were already employed by the pass-through entity before Jan. 1, 1999, may not be included.

**Line 3:** Enter a figure based on the number of qualified employees during the tax year. Caution: Employers who are pass-through entities may count only those qualified employees who were first employed by the entity after Dec. 31, 1998.

**Line 6:** Taxable income, for purposes of the credit, is federal taxable income (before net operating loss deduction) with all applicable Indiana modifications. However, an S corporation with passive income or built-in gains tax liability must enter the amount computed on Schedule B of Form IT-20S. Employers not subject to the apportionment and/or allocation method of computing zone income should disregard lines 7 through 12 and enter Indiana net taxable adjusted gross income from zone sources on lines 6 and 13. Domestic insurance companies paying insurance premium tax, financial institutions, and pass-through entities with no tax liabilities must enter 0 and go on to line 15.

**Line 12:** Taxpayers whose Indiana adjusted gross income is totally eliminated by a net operating loss deduction will have no enterprise zone adjusted gross income tax and should enter 0 on line 14. Taxpayers whose Indiana adjusted gross income is partially offset by a net operating loss deduction must determine the portion of the loss attributable to an enterprise zone source.

Separately complete the apportionment Schedule EZ, Part 1 applicable to the loss year. Multiply the remaining net operating loss deduction used in the current year by this percentage, and enter the product on line 12 as a positive figure.

**Line 14:** Multiply line 13 by the appropriate tax rate. The individual income tax rate is as follows:  
After December 31, 2016 and before January 1, 2023 3.23%  
After December 31, 2022 3.15%

A corporation or an entity doing business in Indiana is subject to the corporate adjusted gross income tax (AGIT). The corporate AGIT tax rate is as follows:

After June 30, 2015, and before July 1, 2016 6.5%  
After June 30, 2016, and before July 1, 2017 6.25%  
After June 30, 2017, and before July 1, 2018 6.0%  
After June 30, 2018, and before July 1, 2019 5.75%  
After June 30, 2019, and before July 1, 2020 5.5%  
After June 30, 2020, and before July 1, 2021 5.25%  
After June 30, 2021, 4.9%

For taxpayers who are not calendar-year filers, the tax rate is prorated based on the number of months in the taxpayer's taxable year for which the rate is effective. The prorated rate will be rounded to the nearest .01%.

**Line 15:** The entry on this line represents total qualified state tax liability. Taxpayers filing Form IT-20 must enter the amount from line 14. Financial institution taxpayers must enter net financial institution tax due (line 29 of Form FIT-20) reduced by other nonrefundable state tax credits. Domestic insurance companies should enter the portion of premium tax attributed to the enterprise zone.

**Line 16:** This is the credit available for the current year plus any applied credit carryover. A pass-through entity without any current year income tax liability may pass through to each of its members their pro rata share of credit from line 5 plus any unused carryover.

**Line 17:** When the total credit (on line 5) exceeds the current year qualified state tax liability (on line 15), the taxpayer may carry the excess back and/or forward against computed state income tax liabilities derived from the enterprise zone. Refer to the instructions for Part 3.

**Note:** A taxpayer is not entitled to a refund of any unused credit.

### Part 3 - Employment Expense Tax Credit Carryover for Enterprise Zone Tax Liability

When the enterprise zone employment expense credit exceeds the taxpayer's qualified state tax liability for the tax year, the remaining credit may be carried back 3 years and applied to each year whether or not a credit is utilized, and/or carried forward up to 10 years or until the enterprise zone terminates.

The application of the credit, when carried over, must be shown on Schedule EZ, Part 3. A copy of this schedule should be attached to any return on which the taxpayer is applying the credit. A separate schedule should be completed when a credit is available from more than 1 tax year.

**Note:** The amount of credit applied is generally limited to the qualified state tax liability, which is based on the tax on income derived from the enterprise zone.

Indiana Department of Revenue  
**Enterprise Zone**  
**Qualified Employee Deduction**  
**Certificate**

**2023**

|                           |  |   |
|---------------------------|--|---|
| Name of employee          | Social Security Number   | Name of Enterprise Zone _____<br>Date of residence in Enterprise Zone:<br>From _____ To _____ |
| Employee's street address | Amount of compensation for tax year during the period of residence in the Enterprise Zone: \$ _____            |   |
| City of residence         | <b>Caution: Limitation of Deduction</b><br>Enter ½ of the above amount or \$7,500, whichever is less: \$ _____ |   |

|  |         |  |      |
|--|---------|--|------|
| Employer   | Address | Federal Employer Identification Number |      |
| I certify that the above-named employee was paid the amount indicated as compensation for services rendered, and that he/she is a qualified employee as defined in IC 6-3-2-8. |         |  |      |
| Signature of employer  | Title   | Telephone number                       | Date |

**Instructions for completing Schedule IT-40QEC**

Schedule IT-40QEC is to be completed by the enterprise zone employer and distributed to its qualified employee(s). The qualified employee should claim this deduction on IT-40 Schedule 2 or IT-40PNR Schedule C. The employee must enclose the IT-40QEC with the state individual income tax return to support any claimed deduction of earned enterprise zone income.

Indiana Code IC 6-3-2-8 defines a "qualified employee" as an individual who:

1. Has a principal place of residency in the enterprise zone where employed;
2. Performs services for the employer 90 percent of which are directly related to the conduct of the employer's trade or business located in an enterprise zone;
3. Performs services for the employer at least 50 percent of the time during the taxable year within an Indiana state enterprise zone; and
4. Is employed by a business that remains eligible to receive benefits and incentives as provided by enterprise zone legislation.

Portions of certain Indiana cities are designated as state enterprise zones. **A qualified employee living and working in a designated enterprise zone may be entitled to deduct from state adjusted gross income one-half of the enterprise zone income earned for services or \$7,500, whichever is less.** Enterprise zone income means wages, salaries, commissions and any other forms of remuneration paid to qualified employees for services by an enterprise zone employer, minus any IRA deductions directly related to that earned income.

For a listing of all current enterprise zones and contact information for each zone please visit [www.aiez.org/directory.html](http://www.aiez.org/directory.html).

**Privacy Notice:** The records in this series are CONFIDENTIAL according to the provisions of IC 6-8.1-7-1 and IC 5-28-15-8



2410000000



Indiana Department of Revenue  
**Enterprise Zone  
Loan Interest Tax Credit**

For Tax Year Ending: Month \_\_\_\_\_ Year \_\_\_\_\_

Enclosure Sequence No. 28

(Enclose completed schedule with annual state tax liability return.)

| Section A - Taxpayer Information  |                                |
|-----------------------------------|--------------------------------|
| Name of Taxpayer (lender)         | Social Security Number or FEIN |
| Street Address                    | County                         |
| City or Town, State, and ZIP Code | Taxpayer's Telephone Number    |

| Section B - Qualified Loan Information (attach list of all borrowers) Section B continued on reverse side. |   |
|--|---|
| Name of Borrower (A)   | Borrower's Social Security Number or FEIN |
| Street Address   | Borrower's Telephone Number               |
| City or Town, State, and ZIP Code  |   |
| Use of Loan (check one):<br><input type="checkbox"/> Business <input type="checkbox"/> Personal            | Date of Loan Origination:                 |
| Location Name of Borrower's Enterprise Zone  |   |

**Section C - Report of Qualified Loans to Businesses by Enterprise Zone Locations**  
Summarize the number of qualified loans to businesses in each enterprise zone and the amount of interest received during the taxable year.

| Enterprise Zone | (a)<br>Number of<br>Loans | (b)<br>Interest Income | Enterprise Zone | (c)<br>Number of<br>Loans | (d)<br>Interest Income |
|-----------------|---------------------------|------------------------|-----------------|---------------------------|------------------------|
| Bedford         |                           | \$ 00                  | Lafayette       |                           | \$ 00                  |
| Bloomington     |                           | \$ 00                  | La Porte        |                           | \$ 00                  |
| Connersville    |                           | \$ 00                  | Michigan City   |                           | \$ 00                  |
| East Chicago    |                           | \$ 00                  | Mitchell        |                           | \$ 00                  |
| Elkhart         |                           | \$ 00                  | New Albany      |                           | \$ 00                  |
| Evansville      |                           | \$ 00                  | Portage         |                           | \$ 00                  |
| Ft. Harrison    |                           | \$ 00                  | Richmond        |                           | \$ 00                  |
| Ft. Wayne       |                           | \$ 00                  | River Ridge     |                           | \$ 00                  |
| Frankfort       |                           | \$ 00                  | Salem           |                           | \$ 00                  |
| Hammond         |                           | \$ 00                  | South Bend      |                           | \$ 00                  |
| Jeffersonville  |                           | \$ 00                  | Vincennes       |                           | \$ 00                  |
| <b>Subtotal</b> |                           | <b>\$ 00</b>           | <b>Subtotal</b> |                           | <b>\$ 00</b>           |

**Section D - Credit for Qualified Loans for the Taxable Year**

|  |   |    |    |
|--|---|----|----|
| 1. Grand total of all qualified loans to businesses listed in Section C, columns (a) and (c).....  | 1 | \$ | 00 |
| 2. Total amount of loan interest income received from qualified loans in Section C, columns (b) and (d) .  | 2 | \$ | 00 |
| 3. Amount of loan interest income received from other qualified nonbusiness loans made for home improvements within all enterprise zones.....  | 3 | \$ | 00 |
| 4. Total Loan Interest Credit - add amounts on lines 2 and 3; multiply result by 5 percent (.05) .....   | 4 | \$ | 00 |
| 5. Indicate for which tax type you are applying this credit. Enter net amount of tax you are offsetting:<br>a <input type="checkbox"/> Adjusted Gross Income Tax    b <input type="checkbox"/> Insurance Premium Tax or Nonprofit Agricultural<br>Organization Health Coverage Tax    c <input type="checkbox"/> Financial Institutions Tax<br>The tax offset may not exceed the amount of available credit from line 4.<br><b>Carry amount on line 5 to other credit line of your return.</b> | 5 | \$ | 00 |
| 6. Unused amount of credit available for carryover - subtract line 5 from line 4 and complete Section E..  | 6 | \$ | 00 |



24100000000



**Section B - Qualified Loan Information Continued** (Attach additional sheets if necessary.)

|                      |   |
|----------------------|---|
| Name of Borrower (B) | Borrower's Social Security Number or FEIN |
| Street Address       | Borrower's Telephone Number               |

City or Town, State, and ZIP Code

|                                    |                          |   |
|------------------------------------|--------------------------|---|
| Use of Loan (Business or Personal) | Date of Loan Origination | Location Name of Borrower's Enterprise Zone |
|------------------------------------|--------------------------|---|

|                      |   |
|----------------------|---|
| Name of Borrower (C) | Borrower's Social Security Number or FEIN |
|----------------------|---|

|                |                             |
|----------------|-----------------------------|
| Street Address | Borrower's Telephone Number |
|----------------|-----------------------------|

City or Town, State, and ZIP Code

|                                    |                          |   |
|------------------------------------|--------------------------|---|
| Use of Loan (Business or Personal) | Date of Loan Origination | Location Name of Borrower's Enterprise Zone |
|------------------------------------|--------------------------|---|

|                      |   |
|----------------------|---|
| Name of Borrower (C) | Borrower's Social Security Number or FEIN |
|----------------------|---|

|                |                             |
|----------------|-----------------------------|
| Street Address | Borrower's Telephone Number |
|----------------|-----------------------------|

City or Town, State, and ZIP Code

|                                    |                          |   |
|------------------------------------|--------------------------|---|
| Use of Loan (Business or Personal) | Date of Loan Origination | Location Name of Borrower's Enterprise Zone |
|------------------------------------|--------------------------|---|

**Section E - Enterprise Zone Interest Credit Carryover (814)**

Enter the initial tax period in which the Enterprise Zone Loan Interest Credit was claimed.  
 Enter the remaining unused amount of credit from Section D, line 6.

|  |   |
|--|---|
| Initial Tax Year Ending:<br>Month _____ Year _____ | Enterprise Zone Loan Interest Credit Available<br>for Carryforward from Section D, Line 6: \$ _____ |
|--|---|

Show how the unused credit is applied during the carryover period.  
 Unused Credit (column (5)) is to be placed on your return for the next tax year.

| (1)<br>Credit Carryforward    | (2)<br>Total<br>Amount of Tax | (3)<br>Type of Tax<br>Liability Reduced | (4)<br>Amount Applied | (5)<br>Unused Credit |
|-------------------------------|-------------------------------|---|-----------------------|----------------------|
| 1st Following Tax Year _____  |                               |   |                       |                      |
| 2nd Following Tax Year _____  |                               |   |                       |                      |
| 3rd Following Tax Year _____  |                               |   |                       |                      |
| 4th Following Tax Year _____  |                               |   |                       |                      |
| 5th Following Tax Year _____  |                               |   |                       |                      |
| 6th Following Tax Year _____  |                               |   |                       |                      |
| 7th Following Tax Year _____  |                               |   |                       |                      |
| 8th Following Tax Year _____  |                               |   |                       |                      |
| 9th Following Tax Year _____  |                               |   |                       |                      |
| 10th Following Tax Year _____ |                               |   |                       |                      |

**Section F - Signature**

I certify I have examined this schedule and, to the best of my knowledge and belief, the information contained in this schedule is true, correct, and complete.

Signature of Taxpayer: \_\_\_\_\_ Title \_\_\_\_\_ Date Signed: \_\_\_\_\_



2410000000

## Instructions for Completing Schedule LIC

Indiana Code (IC) 6-3.1-7-2 provides that a taxpayer who is in good standing with the Indiana Economic Development Corporation is entitled to a state income tax credit of 5% of the interest income received from qualified loans made before January 1, 2018. To qualify, the loan proceeds must be for purposes directly related to businesses located in an enterprise zone or for improvements increasing the assessed value of real property located in an enterprise zone.\* A qualified loan also means a loan made to an individual or business that uses the loan proceeds toward the rehabilitation, repair, or improvement of a residence within an enterprise zone.

\*An enterprise zone created under IC 5-28-15 or an airport development zone (code # 802) designated under IC 8-22-3.5-14.

### Who May File for This Credit?

For the purposes of eligibility, for the Loan Interest Credit, a taxpayer in good standing is defined as an entity conducting business operations within an enterprise zone that:

- 1) Receives interest on a qualified loan made during the tax year;
- 2) Pays the registration fee charged to zone businesses under IC 5-28-15-5;
- 3) Provides the assistance to urban enterprise associations required from zone businesses under IC 5-28-15-5(b); and
- 4) Complies with any requirements adopted by the board of the Indiana Economic Development Corporation for taxpayers claiming the Enterprise Zone Loan Interest Credit.

Note: If the taxpayer is located outside an enterprise zone, the taxpayer is not required to reinvest its incentives within the enterprise zone, other than complying with 2) and 3) above.

### How Often Can I Claim a Credit?

A claim for credit is filed annually for each qualified loan or in combination with all qualified loans made during the taxable year.

### Section A - Taxpayer Information

- 1) Type or print lender's name and address.
- 2) Enter lender's Social Security Number or Federal Employer Identification Number.
- 3) Enter Indiana county or O.O.S. (out-of-state).
- 4) Enter telephone number.

### Section B - Qualified Loan Information

Enter the following information for each qualified loan, or provide a combined listing of borrowers within every enterprise zone. Attach additional sheets as necessary:

- 1) Enter the borrower's name and location address within the enterprise zone.
- 2) Enter the borrower's Social Security Number or Federal Employer Identification Number.
- 3) Enter the borrower's telephone number.
- 4) Indicate the purpose of the loan (business or personal home improvement) and the date of loan origination.
- 5) Enter the name of the borrower's enterprise zone location.

### Section C - Report of Qualified Loans to Businesses by Enterprise Zone Locations

Summarize the number of qualified loans on which you received interest during the taxable year according to the enterprise zone in which the loan proceeds are used by the business borrower(s) (listed in Section B).

Enter the total amount of interest income received from qualified loans to businesses during the taxable year attributed to the enterprise zone location of the borrower(s), columns (a) and (c).

For purposes of the Loan Interest Credit, interest includes service charges, time-price differentials, and all other charges for the use of money. Interest received from loans and lines of credit existing at the time an enterprise zone was designated qualify for the credit if the proceeds are used for a qualified purpose. Interest from mortgage loans to acquire property does not qualify unless the property is used for business purposes (including renting or leasing). If the proceeds of a loan are used to both acquire and improve real property and the acquisition is not for a business purpose, only that portion of the interest attributable to the improvement of the property would qualify for the Loan Interest Credit. If the loan proceeds are used to acquire business property which is subsequently removed from an enterprise zone, only the interest received while the property was used for a business purpose within the enterprise zone would qualify for the credit.

### Section D - Credit for Qualified Loans for the Taxable Year

Line 1. Enter the grand total of all qualified loans to businesses listed in Section C, columns (a) and (c).

Line 2. Enter the amount of loan interest income received from businesses during the taxable year from qualified loans listed in Section C, columns (b) and (d).



Line 3. Enter the total other loan interest income received from nonbusiness loans made for the purposes of rehabilitation, repair, or improvement of a residence or for improvements that increase the assessed value of real property located in any enterprise zone.

Line 4. Add the amount of business and nonbusiness interest income and multiply the result by 5%.

Line 5. Indicate the state tax liability you wish to offset by checking the appropriate tax type box and by entering the net amount of your state tax liability. Note: The net amount of tax entered on line 5 must be reduced by all other applicable tax liability credits and may not be greater than the amount on line 4. Carry the net amount of credit to be used to your tax type return.

Line 6. Subtract line 5 from line 4. The result may not be less than zero. If it's greater than zero, carry the excess unused amount of credit to Section E.

#### Section E – Enterprise Zone Loan Interest Carryover

Complete this section whenever there is a carryover of unused Loan Interest Credit. The amount of credit carryover from a taxable year shall be reduced to the extent that the carryover is used by the taxpayer to obtain credit against allowable state tax liabilities for any subsequent taxable year. Carryover is allowed up to 10 years following the date on which a qualified loan credit is claimed but not beyond the phase-out period that terminates the enterprise zone from which a qualified loan had originated.

Enter in each column the applicable date or amounts for every succeeding taxable year in which a credit carryover is used.

#### Section F – Signature

The taxpayer or an authorized agent must sign this schedule.

#### Where Can I Claim This Credit?

The Loan Interest Credit can be applied as a credit against the taxpayer's adjusted gross income tax (IC 6-3-1 through 6-3-7), insurance premium tax (IC 27-1-18-2) or nonprofit agricultural organization health coverage tax (IC 6-8-15), and financial institution tax (IC 6-5.5). A copy of Schedule LIC must be enclosed with the return; otherwise, the credit will be disallowed. The credit amount calculated on the LIC is to be taken as a credit against your tax liability on the return in the order listed above after first applying other credits allowed under IC 6-3.1-1-2. Use 3-digit code 814 to identify this credit where applicable.

Refer to Income Tax Information Bulletin #66 at [www.in.gov/dor/legal-resources/tax-library/information-bulletins/income-tax-information-bulletins](http://www.in.gov/dor/legal-resources/tax-library/information-bulletins/income-tax-information-bulletins) for additional information. Please see the instructions for your tax return to determine where the credit should be entered on the various tax forms.

#### What if I Do Not Use All of My Credit?

Any unused credit may be carried over to the next eligible tax return to be filed up to 10 years from the date of the loan until all credit has been used or the enterprise zone terminates.

Note: A taxpayer is not entitled to a carryback or refund of any unused credit. The statute does allow the taxpayer to carry forward any unused credit.

#### What if I Am an Entity Exempt from Adjusted Gross Income Tax?

Entities exempt from adjusted gross income tax under IC 6-3-2-2.8(2) may "pass through" the credit to shareholders, partners, beneficiaries, or members of the pass-through entity. A pass-through entity is an S corporation, a partnership, a trust, a limited liability company, or a limited liability partnership. Each member's tax credit is calculated by multiplying the total credit available by the percentage of the entity's distributive income to which the shareholder, partner, beneficiary, or member is entitled. The pro rata share of the calculated credit is reported by the entity on each unit-holder's Schedule IN K-1. A copy of Schedule LIC or IN K-1 must be enclosed with the return to claim your share of the credit.

#### Whom Do I Contact if I Have Questions About the Enterprise Zone Loan Interest Credit?

Questions concerning enterprise zone income tax provisions should be directed to:

**Indiana Department of Revenue**  
**Returns Processing Center**  
**Corporate Income Tax Section**  
P.O. Box 7206  
Indianapolis, IN 46207  
(317) 232-0129  
[www.in.gov/dor](http://www.in.gov/dor)

For questions concerning other provisions related to enterprise zones and current locations within the designated cities, contact:

**Indiana Economic Development Corporation**  
1 N. Capitol Ave., Suite 700  
Indianapolis, IN 46204  
(317) 232-8800  
[www.iedc.in.gov](http://www.iedc.in.gov)



**ENTERPRISE ZONE / ENTREPRENEUR & ENTERPRISE DISTRICT  
BUSINESS REGISTRATION (EZB-R) - FOR CALENDAR YEAR 2023**

Form approved by Association of Indiana Enterprise Zones (AIEZ) (R1 / 2-24)

**EZB-R**

**2023**



Page 2 contains detailed line-by-line instructions.

1. Please print legibly or type. Please complete each section entirely.
2. A zone/district business that accesses at least one (1) tax credit or exemption shall submit to the AIEZ this verified summary of the amount of the tax credits and exemptions claimed by the business in 2023 **postmarked no later than June 1, 2024**. If a zone/district business cannot comply with this date, it must apply for an extension to the AIEZ utilizing the approved EZB-E form **postmarked no later than June 1, 2024**. If an extension is approved, this EZB-R registration form and fees must be **postmarked no later than July 15, 2024**.

| PART I - GENERAL INFORMATION  |   |
|---|---|
| 1. Name of Business   | 2. Telephone number   |
| 3. Mailing address (number and street, city, state, and ZIP code)   |   |
| 4. Zone/District address (number and street, city, state, and ZIP code)   |   |
| 5. Federal Identification or Social Security Number   | 6. Legal business form (check one)<br><input type="checkbox"/> "C" Corporation <input type="checkbox"/> "S" Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Sole Proprietorship |
| 7. E-mail address   |   |
| 8. Average Level of Employment at the Zone/District Location During Calendar Year 2023  |   |
| 9. Average Level of Employment of Zone/District Residents at the Zone/District Location During Calendar Year 2023                   |   |
| 10. Total Wages and Salaries at the Zone/District Location During Calendar Year 2023  |   |
| 11. Total Wages and Salaries of Your Zone/District Resident Employees During Calendar Year 2023                                     |   |
| 12. Number of Enterprise Zone Qualified Employee Certificates (IT-40QEC) Issued for the Calendar Year 2023 (Districts not eligible) |   |
| 13. Total New Jobs Created at the Zone/District Location During the Calendar Year 2023  |   |
| 14. Total New Jobs Filled by Zone/District Residents During Calendar Year 2023  |   |

| PART II - TAX SAVINGS SUMMARY   |   |
|---|---|
| 15. Total Enterprise Zone/District Investment Deduction   |   |
| A. Total Tax Savings from Enterprise Zone Investment Deduction                                    |   |
| 16. Total Loan Interest Credit (from Schedule LIC, Attach Copy) - Loans issued prior to 2018 only |   |
| 17. Total Employment Expense Credit (Part II, Schedule EZ) for Enterprise Zones only              |   |
| 18. <b>Total Tax Savings (Sum of Lines 15A through 17)</b>  | 0 |

| PART III - REGISTRATION FEE AND ELIGIBILITY  |      |
|--|------|
| 19. Registration fee   |      |
| If the total on Line 18, Part II exceeds \$1,000, multiply the total on Line 18 by .01 and remit the registration fee with your original EZB-R form to:<br><b>Association of Indiana Enterprise Zones, P.O. Box 1322, Evansville, IN 47706.</b><br>As required under IC 5-28-15-5.7, a zone/district business is required by law to use all its tax-saving incentives, except for the registration fee, for its property or employees in the zone/district. In addition to the registration fee paid under IC 5-28-15-5.7(a)(4), each zone/district business that receives a credit under this chapter shall assist the urban enterprise association in an amount determined by the legislative body of the municipality in which the zone/district is located. If a zone/district business does not assist an Urban Enterprise Association, the legislative body of the municipality in which the zone/district is located may pass an ordinance disqualifying a zone/district business from eligibility for all credits or incentives available to zone/district businesses. |      |
| 20. Financial Compliance to the local Urban Enterprise Association representing the Zone/District  |      |
| 21. New Capital Investment in Enterprise Zone/District for the 2023 Calendar Year:   |      |
| A. Building Renovation or Improvements   |      |
| B. New Manufacturing/Production Equipment  |      |
| C. New Information Technology Equipment  |      |
| D. New Logistical Distribution Equipment   |      |
| E. New Research & Development Equipment  |      |
| 22. Total Increased Zone/District Resident Employee Wages and Salaries or Other Compensation for 2023 Calendar Year  |      |
| 23. <b>Total (Sum of Lines 19 through 22)</b>  | \$ 0 |
| The sum of all lines in Part III must equal or exceed the amount in Part II, Line 18 to avoid disqualification from eligibility of Enterprise Zone/District incentives. Under penalties of perjury, I declare that I have examined this form, including accompanying schedules, and to the best of my knowledge and belief, it is true, correct, and complete.   |      |

|  |                                   |                              |
|--|-----------------------------------|------------------------------|
| Signature of corporate / firm officer                              |                                   | Date (month, day, year)      |
| Printed name of corporate / firm officer                           | Title of corporate / firm officer |                              |
| Signature of preparer  |                                   | Date (month, day, year)      |
| Printed name of preparer   |                                   | Telephone number of preparer |
| Address of preparer (number and street, city, state, and ZIP code) |                                   | E-mail of preparer           |

**MAIL COMPLETED** Original form, attachments, 1% fee (if owed) to AIEZ, P.O. Box 1322, Evansville, IN 47706.  
**MAIL Copy** of form, attachments and financial compliance to local UEA. Go to [AIEZ.org](http://AIEZ.org) for contact information.  
**KEEP Copy** for your records.

**ENTERPRISE ZONE / ENTREPRENEUR & ENTERPRISE DISTRICT  
BUSINESS REGISTRATION EXTENSION (EZB-E) - FOR CALENDAR YEAR**

**EZB-E**

**2023**

Form approved by Association of Indiana Enterprise Zones (AIEZ) (R1 / 2-24)

- 1) This form is an application for an extension of time to file an EZB-R (Enterprise Zone Business Registration) form. This form is used for zones and districts. The Association of Indiana Enterprise Zones may grant an extension of not more than forty-five (45) days to file the EZB-R. A zone/district business desiring a filing extension must submit this form to the AIEZ and be **POSTMARKED NO LATER THAN June 1, 2024**.
- 2) If a valid E-mail is provided and the extension is approved, the AIEZ will E-mail you the APPROVED stamped version of this form.
- 3) When filing the EZB-R, please attach a copy of the approved EZB-E form.
- 4) The EZB-R registration form, EZB-E and fees **MUST BE POSTMARKED NO LATER THAN JULY 15, 2024**. Failure to file this form or the EZB-R in a timely manner may result in monetary penalty, denial of tax savings, and disqualification from the program. Mail to:

Association of Indiana Enterprise Zones  
P.O. Box 1322  
Evansville, IN 47706



| INFORMATION ABOUT THE APPLICANT           |                     |                               |                  |
|---|---------------------|-------------------------------|------------------|
| Name of Business                          |                     | Federal Identification Number |                  |
| Mailing Address (number and street)       |                     |                               |                  |
| City                                      | State               | Zip                           |                  |
| Zone/District Address (number and street) |                     |                               |                  |
| Zone/District City                        | Zone/District State | Zip                           | Telephone Number |
| E-Mail Address                            |                     |                               |                  |

| TO BE COMPLETED BY THE APPLICANT                     |                              |                             |  |
|--|------------------------------|-----------------------------|--|
| 1) Total expected tax savings for calendar year 2023 |                              |                             | \$   |
| 2) Was an EZB-R filed last year?                     | YES <input type="checkbox"/> | NO <input type="checkbox"/> | If no, is this first time filing? YES <input type="checkbox"/> NO <input type="checkbox"/> |

| CERTIFICATION   |      |
|---|------|
| Under penalties of perjury, I (we) declare that to the best of my (our) knowledge and belief, the statements made herein are true and complete. |      |
| Signature of firm or corporate officer  | Date |
| Name of firm or corporate officer (please print)  |      |





# ENTERPRISE ZONE INVESTMENT DEDUCTION APPLICATION

State Form 52501 (R5 / 11-15)

Prescribed by the Department of Local Government Finance

**FORM  
EZ-2**

PRIVACY NOTICE: The records in this series are confidential according to IC 6-1.1-35-9.

### INSTRUCTIONS:

1. This form is to be filed with the auditor of the county in which property is located on the assessment date [IC 6-1.1-45-10(a)].
2. This form is to be filed between January 1 and May 15 of the assessment year to obtain the deduction.
3. The county auditor may grant not more than a thirty (30) day extension if a written application is given before May 15 [IC 6-1.1-45-10(c)].
4. This form may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing [IC 6-1.1-45-10(a)].
5. If this form includes a deduction claim for personal property, a copy of the current assessment year Business Tangible Personal Property Assessment return (Form 102 or 103) must be attached.
6. County auditor must notify the applicant of the above determination before August 15 of the assessment year [IC 6-1.1-45-11(a)].
7. If the applicant is in disagreement with county auditor's determination, the applicant may appeal for a review of the determination by filing a complaint in the office of the clerk of the circuit or superior court not later than forty-five (45) days after the county auditor gives the applicant notice of the determination.

| PROPERTY DESCRIPTION   |          |                               |  |
|--|----------|-------------------------------|--|
| Name of taxpayer   |          | Federal identification number |  |
| Address of taxpayer (number and street, city, state, and ZIP code) |          |                               |  |
| Address of property (number and street, city, state, and ZIP code) |          |                               |  |
| DLGF Taxing District number  | Township | County                        | Date of assessment<br>January 1, 20_____ |

| SCHEDULE A - To be completed for the current assessment year if a qualified investment occurred. |   |           |                          |                           |   |
|--|---|-----------|--------------------------|---------------------------|---|
| 1  | 2   | 3         | 4                        | 5                         | 6   |
| PROPERTY CLASS   | TYPE OF QUALIFIED INVESTMENT  | BASE YEAR | BASE YEAR ASSESSED VALUE | FIRST YEAR ASSESSED VALUE | AMOUNT OF DEDUCTION <sup>2</sup><br>(Column 5 - Column 4) |
| Real property  | Purchase of an existing building <sup>1</sup>                         |           |                          |                           |   |
| Real property  | Construction of a new building <sup>1</sup>                           |           |                          |                           |   |
| Real property  | Repair/rehabilitation/modernization of existing building <sup>1</sup> |           |                          |                           |   |
| Real property  | Onsite infrastructure improvement <sup>1</sup>                        |           |                          |                           |   |
| Personal property  | Purchase of new manufacturing or production equipment                 |           |                          |                           |   |
| Personal property  | Retooling of existing machinery                                       |           |                          |                           |   |
| CURRENT YEAR DEDUCTION <sup>2</sup> =  |   |           |                          |                           |   |

<sup>1</sup> To be determined by the assessor.

<sup>2</sup> This deduction amount will stay the same for a ten (10) year period [IC 6-1.1-45-9(a)].

| SCHEDULE B - To be completed each year a deduction is claimed. |                 |  |                                     |
|--|-----------------|--|-------------------------------------|
|  | ASSESSMENT YEAR | AMOUNT OF DEDUCTION<br>(from Schedule A) | SOURCE                              |
| Year 1   |                 |  | Schedule A from this form           |
| Year 2   |                 |  | Schedule A from one (1) year ago    |
| Year 3   |                 |  | Schedule A from two (2) years ago   |
| Year 4   |                 |  | Schedule A from three (3) years ago |
| Year 5   |                 |  | Schedule A from four (4) years ago  |
| Year 6   |                 |  | Schedule A from five (5) years ago  |
| Year 7   |                 |  | Schedule A from six (6) years ago   |
| Year 8   |                 |  | Schedule A from seven (7) years ago |
| Year 9   |                 |  | Schedule A from eight (8) years ago |
| Year 10  |                 |  | Schedule A from nine (9) years ago  |
| <b>TOTAL DEDUCTION CLAIMED =</b>                               |                 |  |                                     |

| CERTIFICATION STATEMENT   |       |                                |
|---|-------|--------------------------------|
| I hereby certify that the above named taxpayer is liable for property taxes at the above listed location on the indicated assessment date. I also certify that: (1) on the indicated assessment date, the property was in an enterprise zone designated by the Enterprise Zone Board and (2) the property is entitled to an investment deduction pursuant to IC 6-1.1-45. |       |                                |
| Authorized signature of owner or representative   |       | Date signed (month, day, year) |
| Printed name of signatory   | Title | Telephone number<br>( )        |
| Full mailing address of owner or representative (number and street, city, state, and ZIP code)  |       |                                |



**DO NOT WRITE HERE – FOR USE BY COUNTY AUDITOR ONLY**

I, Auditor of the county named below, hereby certify that this claim for deduction was filed with this office on the date noted below, and having been referred this application, do hereby make the following determination:

|   |        |                               |
|---|--------|-------------------------------|
| Signature of County Auditor   | County | Date filed (month, day, year) |
| Approved amount of assessed value deduction for January 1, 20____, payable in 20____: |        | Amount                        |

**IF DEDUCTION WAS DENIED PARTIALLY OR IN TOTAL, AUDITOR MUST COMPLETE THIS SECTION**

1. If approved amount is different than amount claimed on Schedule B on the front of this form, explain.

2. This claim is being denied in total due to one of the following reasons:

- Application was not timely filed in accordance with instruction 2 above.
- Business is not located within established enterprise zone boundary.
- Other (explain) \_\_\_\_\_

The following are sections of the statutes that are frequently referred to. To view the complete section of the statutes concerning the Enterprise Zone Investment Deduction, go to Indiana Code 6-1.1-45.

**IC 6-1.1-45-2 "Base year assessed value"**

"Base year assessed value" equals the total assessed value of the real and personal property assessed at an enterprise zone location on the assessment date in the calendar year immediately preceding the calendar year in which a taxpayer makes a qualified investment with respect to the enterprise zone location.

**IC 6-1.1-45-9 (a) Eligibility for deduction; amount;**

A taxpayer that makes a qualified investment is entitled to a deduction from the assessed value of the taxpayer's enterprise zone property located at the enterprise zone location for which the taxpayer made the qualified investment. The amount of the deduction is equal to the remainder of:

1. the total amount of the assessed value of the taxpayer's enterprise zone property assessed at the enterprise zone location on a particular assessment date; minus
2. the total amount of the base year assessed value for the enterprise zone location.

**IC 6-1.1-45-10 (c) Extension**

The county auditor may grant a taxpayer an extension of not more than thirty (30) days to file the taxpayer's application if:

1. the taxpayer submits a written application for an extension before May 15 of the assessment year; and
2. the taxpayer is prevented from filing a timely application because of sickness, absence from the county, or any other good and sufficient reason.

**IC 6-1.1-45-10 (d) Waiver**

An urban enterprise association created under IC 5-28-15-13 may by resolution waive failure to file a: (1) timely; or (2) complete; deduction application under this section. Before adopting a waiver under this section, the urban enterprise association shall conduct a public hearing on the waiver.

**IC 6-1.1-45-11 (b) Appeals**

A person may appeal the determination of the county auditor by filing a complaint in the office of the clerk of the circuit or superior court not later than forty-five (45) days after the county auditor gives the person notice of the determination.