

### **Enterprise Zone Program**

The enterprise zone (EZ) tax incentive program allows a growing non-retail company to receive an exemption on a percentage of the new real or personal property investment it makes. In Ohio, the maximum abatement allowed for real and/or personal property is 75% for a 10 year period in incorporated areas. However, anything in excess of 10 years or 75% requires formal approval by the affected school board. Due to Ohio tax law changes, tangible personal property tax has been phased out, which leaves the EZ program essentially a real property tax incentive program.

The amount of tax exemption is negotiated on an individual project basis and varies according to the size of the investment, jobs created, and other factors. An agreement must be in place between the company and Village of Newtown/Hamilton County before a project commences.

A project will fall into one of three categories: renovate, expand, or occupy. "Expand" means to make expenditures to add land, buildings, machinery, equipment, or other materials, except inventory, to a facility that equals at least 10% of the market value of the facility prior to such expenditures, as determined for the purposes of local property taxation. "Renovate" means to make expenditures to alter or repair a facility that equals at least 50% of the market value of the facility prior to such expenditures, as determined for the purposes of local property taxation. "Occupy" means to make expenditures to alter or repair a vacant facility equal to at least 20% of the market value of the facility prior to such expenditures, as determined for the purposes of local property taxation. The value of existing buildings and land cannot be abated.

### **Community Reinvestment Area Program**

The Community Reinvestment Area (CRA) program is a real property tax exemption on new investment (new building construction or major renovation). The CRA is eligible to commercial and industrial companies as well as retail and housing developments. The Village of Newtown Council adopted Resolution 39-2008, CRA #2 (Village-wide CRA), supersedes the two CRAs that were established in 2006.

The amount of tax exemption is negotiated on an individual project basis and varies according to the size of the investment, jobs created and other factors. Like the Enterprise Zone program, an agreement must be in place between the company and the jurisdiction before a project commences. Residential projects do not have to apply prior to the project commencing but it is recommended that the homeowner confirm they are within a CRA before starting the project. The term and percentage for residential projects is set in the CRA establishment legislation and can not be negotiated.

HCDC Summary of Tax Incentive Programs - <http://www.hcdc.com/development/programs>

HCDC Summary of Loan Programs - <http://www.hcdc.com/financing>

State of Ohio EZ Program Summary - <https://www.development.ohio.gov/Business/ez/>

State of Ohio CRA Program Summary - <http://www.development.ohio.gov/Business/CRA/>