



Colorado Enterprise Zone Tax Credit Quick Reference Guide

The Colorado Enterprise Zone (EZ) Program is designed to promote a business-friendly environment in economically distressed areas by offering state income tax credits that incentivize businesses to locate and develop in, and non-profit organizations to assist with the needs of these communities.

Private-sector business activity encouraged by these income tax incentives brings job opportunities and capital investment to economically distressed areas. The private investment results in tax revenue for school districts, cities, counties and the state, outweighing the costs of the tax credits granted.

LIST OF AVAILABLE ENTERPRISE TAX ZONE CREDITS

EZ – Investment Tax Credit: Businesses investing in Enterprise Zones through business personal property can earn a 3% tax credit. Special rules for renewable energy equipment apply.

EZ – Job Training: Companies that implement a qualified job-training program for their Enterprise Zone employees may earn an income tax credit of 12% of their eligible training costs.

EZ – New Employee Credit: Businesses increasing their workforce may earn a state income tax credit \$1,100 per net new employee.

EZ – Agricultural Processor: An additional tax credit of \$500 per net new employee may be claimed by businesses adding value to agricultural commodities through manufacturing or processing.

EZ- Enhanced Rural EZ: An additional tax credit of \$2,000 per net new employee may be claimed for businesses in Enhanced Rural EZs – these are re-established every 2 years.

EZ – Enhanced Rural Agricultural Processor: An additional tax credit of \$500 per net new employee may be claimed if the business is an agricultural manufacturing or processing business in an Enhanced Rural EZ.

EZ – Employer Sponsored Health Insurance: Offers businesses \$1,000 per net new employee insured under a qualified health plan for which the employer pays at least 50% of the cost. This credit is available for the first two years the business is located in an enterprise zone.

EZ – Research and Development Tax Credit: Businesses conducting research and development may earn a 3% tax credit on the increase in such expenditures as compared to that of the prior 2 years.

EZ – Vacant Commercial Building Rehabilitation: Encourages redevelopment of vacant commercial property with a 25% credit for the cost of rehabilitation of a building that is at least 20 years old and has been completely vacant for at least 2 years.

EZ – Commercial Vehicle Investment Tax Credit: Investment in commercial trucks, truck tractors, tractors, or semitrailers, and associated parts registered in CO and based and used in an EZ may earn the taxpayer a 1.5% credit.



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APPLY FOR ENTERPRISE ZONE BUSINESS TAX CREDITS

Pre-Certification: Businesses wanting to claim any of the Colorado Enterprise Zone (EZ) income tax credits (excluding the Contribution Project credit for which pre-certification is not required), must annually pre-certify with their local EZ Administrator to be eligible to claim EZ tax credits. Pre-certification can be completed up to three months in advance of the business' tax year start date. Pre-certification is approved by the Local EZ Administrator. Pre-certify each business location as credits are only available for business activity in an Enterprise Zone.

Certification: A business having pre-certified, and then conducted activities that are eligible for EZ credits, must then complete a certification application and receive approval from the local EZ Administrator. Certification documents must be submitted with your Colorado income tax filing. The Certification document from our on-line application system takes the place of DOR forms DR0074, DR0076 and DR0077.

Apply for Pre-Certification and Certification of Enterprise Zone Tax Credits

<http://choosecolorado.com/doing-business/incentives-financing/ez/>

When on the State's site, click on the "Apply" button to access the portal for Pre-Certifying and Certifying EZ tax credits. Create a new user to log in. [User guides for Pre-Certification and Certification](#) can also be found on this page.

Specific tax questions should be directed to the Department of Revenue or to your CPA. Information about whether a business in Dolores, Montezuma, La Plata, Archuleta or San Juan is located within the EZ boundaries can be obtained from Region 9, the Southwest EZ Administrator.

SOUTHWEST ENTERPRISE ZONE

Counties included: Dolores, Montezuma, San Juan, and portions of Archuleta and La Plata Counties

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Contact Montezuma Community Economic Development Association (MCEDA) or visit Montezumaceda.org or [Facebook.com/Montezumaceda](https://www.facebook.com/Montezumaceda) for more information