

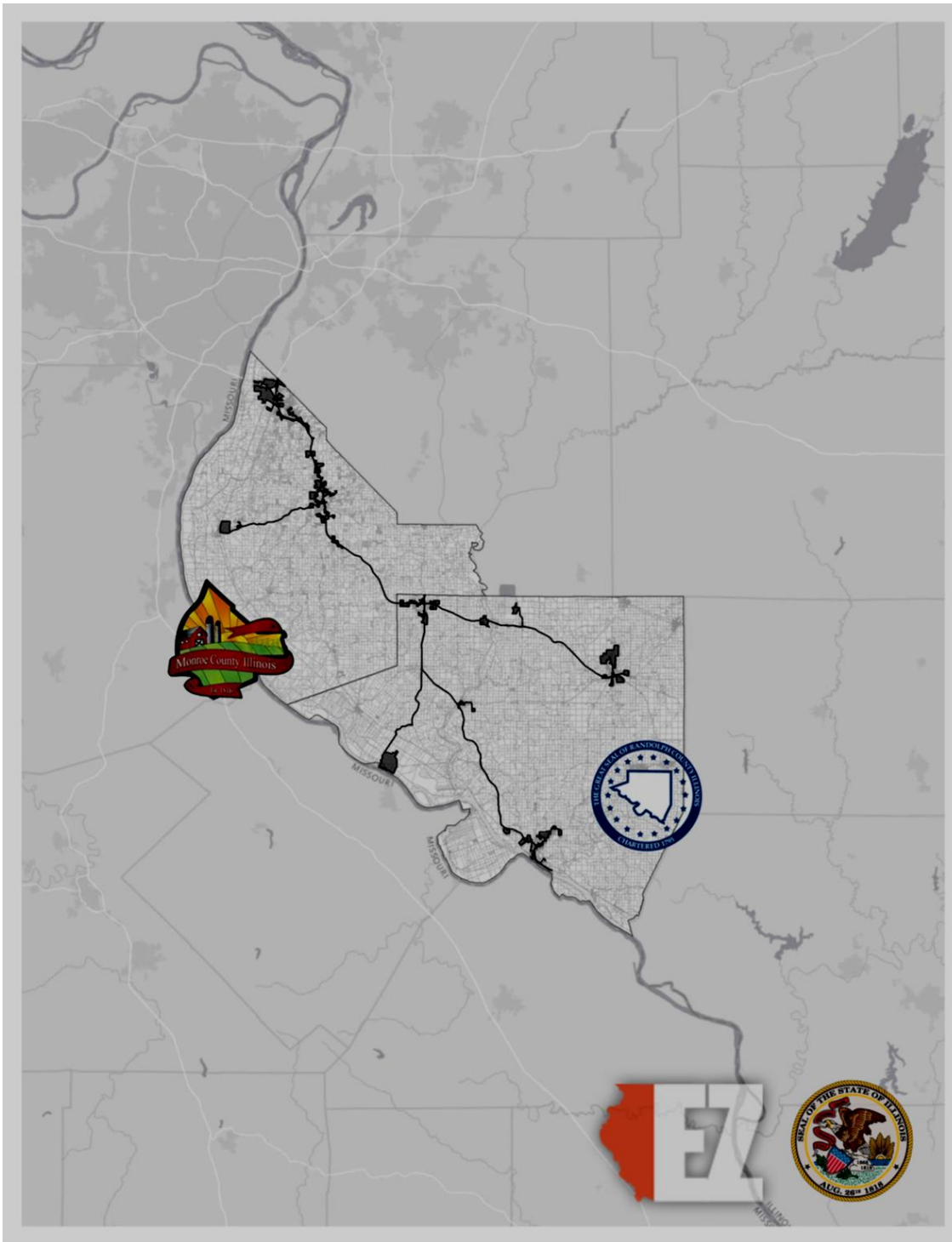
**MONROE - RANDOLPH
ENTERPRISE ZONE**

PROCESS GUIDE

2022 Edition

**Zone became effective
January 1, 2020 for
designated areas in:**

***City of Columbia
City of Waterloo
Village of Valmeyer
Un-incorporated Monroe
County
Village of Evansville
City of Chester
City of Red Bud
City of Sparta
Un-incorporated
Randolph County***



**Prepared By
Edie Koch, Monroe-Randolph Enterprise Zone Administrator
100 S. Main
Waterloo, IL 62298
Phone: 618-806-4739
E-Mail: ekoch@mciledc.com**

EXECUTIVE SUMMARY

A contiguous, approximately 15-mile, area in portions of unincorporated Monroe and Randolph County, and the municipalities of Chester, Evansville, Sparta, Red Bud, Valmeyer, Waterloo, and Columbia, were designated as an Illinois Enterprise Zone area on January 1, 2020 and will have the option to stay in effect for 25 years. (State initially designates Enterprise Zones for 15 years but affords Zones an opportunity for an additional 10 years based on performance.) The Monroe – Randolph Enterprise Zone has been established to attract new industry and revitalize existing businesses by providing targeted initiatives and financial incentives to reduce operating and construction costs; stimulate economic activity and neighborhood revitalization; and promote and encourage economic development; within that Zone.

The Monroe-Randolph Enterprise Zone Administrator, along with the Monroe-Randolph County Enterprise Zone Management Organization, is charged with implementing all Enterprise Zone incentives in concert with the municipalities and counties with areas within the boundaries of the Zone. Enterprise Zone program incentives are offered uniformly and equitably by class. “Case-by-Case” is contrary to the intent of the Enterprise Zone Act. IDOR is the only entity who can deny the exemption of an applying entity.

Under special and unique circumstances, the Enterprise Zone Administrator can consider modifying the Zone Boundaries and/or incentives for qualified projects. This process is subject to the approval of the Monroe-Randolph County Enterprise Zone Management Organization and the State of Illinois and could be subject to an application fee. Current Monroe-Randolph County Enterprise Zone maps and instructions are available to the public by calling the relevant local government office accessing any of the websites of the above-mentioned participating counties and municipalities.

Businesses will be thrilled to be within the Monroe Randolph County Enterprise Zone. There are NO disadvantages to being part of the zone. Property owners can continue to do what they wish on their property like always as existing zoning remains intact; the only difference is the incentives that they can get.

This “Process Guide” provides information on which projects might qualify for the Monroe Randolph Enterprise Zone benefits, eligibility and access information on the incentives available, and fees when applicable.

TABLE OF CONTENTS

Building Sales Tax Exemption ----- 4-7

- What is the Building Sales Tax Exemption.
- Who is eligible to obtain a Tax Exemption Certificate
- Are there limitations to the kinds of projects eligible.
- For how long is certificate valid.
- Can a project already started still apply.
- Can a subcontractor use the general contractor' exemptions certificate.
- How will a retailer know when a purchaser has a valid certificate.
- Do all retailers offer a point-of-sale exemption.
- What qualifies as eligible building materials.
- How do I apply for a Building Materials Exemption Certificate.
- Is there a fee required.
- Can suppliers, who do not have a brick and mortar presence in IL be used.
- Are there reports required if issued a Building Sales Tax Exemption Certificate.
- What are the penalties for misuse of an Exemption Certificate.

Investment Tax Credit ----- 7-9

- What is the enterprise zone investment tax credit.
- Who are qualifying taxpayers.
- What is qualified property.
- What are examples of "qualified property".
- What does "placed in service" mean.
- What is "depreciable" property.
- Does "used" property qualify for tax credit.
- What is the "basis" value of property.
- Does the investment tax credit carry forward.
- How do I claim the Investment Tax Credit.

Manufacturing, Machinery and Equipment Sales Tax Exemption ----- 9-10

- What is the M, M & E Sales Tax Exemption.
- How does a business become eligible.
- What is an eligible investment.
- Are eligible sales limited to the units of government sponsoring the Zone.
- What tangible personal property is eligible for tax exemption.
- How do I apply for the M.M & E Sales Tax Exemption.

Utility Tax Exemption ----- 10

- What is the Utility Tax Exemption.
- How does a business become eligible for the Utility Tax Exemption.
- What is an eligible investment.
- How do I apply for the Utility Tax Exemption.

Open Market Natural Gas Tax Exemption -----10-11

Appendix:

- A) Project Pre-Qualification Check list for EZ Benefits.
- B) Monroe-Randolph Project Application form.
- C) Monroe-Randolph Contractor's Application for Building Materials Sales Tax Exemption Certificate.
- D) Form RG-61 Gas Use Tax Exemption Certificate

BUILDING SALES TAX EXEMPTION

What is the Building Sales Tax Exemption? Buildings materials used for incorporation into projects in any Illinois Enterprise Zone are exempt from sales and use tax with a certificate issued from the Illinois Department of Revenue (IDOR). Certificates are officially applied for by the Enterprise Zone Administrator of the Zone where the buildings materials will be incorporated. In the Monroe-Randolph Enterprise Zone you must have a project with a “total cost” of greater than \$10,000 to be eligible to apply, a Project Application Form completed, and a separate Contractor’s Buildings Materials Exemption Certificate (BMEC) application form completed by each contractor & or owner, prior to the submission of a sales tax exemption request to IDOR (“total cost” is defined as the cost of real property such as land, building, and anything attached to it, in a relatively permanent fashion). These forms and technical assistance are available from the local government office with jurisdiction over your property of interest. In regard to building materials, there is a processing fee for projects equaling .5% of building materials not to exceed \$50,000. Fee must be attached to the Project Application when submitted to the EZ Administrator to receive processing. It is recommended to apply 7 days in advance of wanting to order or purchase materials!

Who is eligible for a Building Materials Sales Tax Exemption Certificate? Each construction contractor, subcontractor, or other entity that purchases building materials to be incorporated into real estate in an Enterprise Zone by rehabilitation, remodeling or new construction. There are no minimum job creation/retention requirements, but there is a local requirement that investment be greater than \$10,000 in “total costs” (see definition above). In order to receive this exemption, building materials must be used for remodeling, rehabilitation or permanent new construction and be permanently affixed to property and purchased from a qualified retailer. Construction must be of the nature that a building permit would be required. If project does not have a building permit, documentation from that city or county that a permit is not required, must be provided.

Are there limitations to the kinds of projects eligible to apply for the Illinois Business Materials Sales Tax Exemption Certificate? In the Monroe-Randolph County Enterprise Zone, the Exemption is limited to commercial, industrial, and manufacturing projects > \$10,000.

For how long is a certificate valid? Certificates are valid for a maximum of two years; however, they can be issued for a shorter period of time, as determined by the Zone Administrator. The exact expiration date of each certificate will vary and is based upon the “expected project completion date” provided on the Project application. If your Building Materials Exemption Certificate is set to expire before your project is complete, you must seek a renewal from the Zone Administrator.

Can a project that has already started still apply for a Building Materials Sales Tax Exemption Certificate? Industrial, manufacturing, or commercial projects that have already started in the Zone can still be eligible for the Building Sales Tax Exemption, ONLY if they have a remaining “total cost” >\$10,000 and have qualifying purchases/orders that will occur after the exemption

certificate is issued. "Total cost" = cost of real property such as land, building, and anything attached to it in a relatively permanent fashion.

Can a subcontractor use the general contractor's exemption certificate to purchase materials for a project? No, each contractor, sub-contractor, or other entity that purchases a qualified building material for a project must have their own exemption certificate. Contractors and subcontractors must apply for and receive a unique Sales Tax Exemption Certificate that is issued individually by IDOR. A Contractor's BMEC Application form is attached (Appendix C).

How will a retailer know when a purchaser has a valid exemption certificate? When purchasing tax exempt building materials, the purchaser must submit a signed statement (Form EZ-1) to the retailer that contains the Building Materials Sales Tax Exemption Certificate number, the zone, the project, and the qualified materials being purchased. Form EZ-1, contains all necessary information and will be provided to certificate holders when they receive their certificates. Each time materials are purchased; purchaser must leave with seller a completed EZ-1 form. Note: It is the seller's responsibility to verify that the certificate holder's building materials exemption certificate number is valid and active. Sellers can confirm this by visiting www.tax.illinois.gov and using the "Verify Building Materials Exemption Certificates" tool.

Do all retailers offer a point of sale exemption? No. Retailers are not required by law to participate. The purchaser must ask the retailer for cooperation on this incentive. Retailers have, however, demonstrated good cooperation throughout the history of this program, as this incentive permits them to give customers a "break" without a cost to themselves.

What qualifies as "building materials" eligible for the sales tax exemption? Building materials that are eligible for the enterprise zone sales tax exemption include items that are permanently affixed to real property such as lumber, mortar, glued-down carpets, paint, wallpaper and similar affixed items. This does not include landscaping materials. More examples follow.

These purchases Qualify for the Exemption:

- common building materials such as lumber, bricks, cement, asphalt, windows, doors, insulation, roofing materials and sheet metal.
- plumbing systems and components thereof such as bathtubs, lavatories, sinks, faucets, garbage disposals, water pumps, water heaters, water softeners and water pipes.
- heating systems and components thereof such as furnaces, ductwork, vents, stokers, boilers, heating pipes and radiators.
- electrical systems and components thereof such as wiring, outlets and light fixtures that are physically incorporated into the real estate.
- central air conditioning systems, ventilation systems and components thereof that are physically incorporated into the real estate.
- built-in cabinets and other woodwork that are physically incorporated into the real estate.
- racking when bolted to the concrete floor; signs that are bolted to the building.
- built-in appliances such as refrigerators, stoves, ovens, washers, and trash compactors that are physically incorporated into the real estate.

- floor coverings such as tile, linoleum and carpeting that are glued or otherwise permanently affixed to the real estate by use of tacks, staples, or wood stripping filled with nails that protrude upward (sometimes referred to as "tacking strips" or "tack-down strips").

These purchases DO NOT Qualify for the Exemption as they are not physically incorporated into the real estate:

- tools, machinery, equipment, fuel, forms and other items that may be used by a construction contractor at an enterprise zone building site, but that are not physically incorporated into the real estate.
- free-standing appliances such as stoves, ovens, refrigerators, washing machines, portable ventilation units, window air conditioning units, lamps, clothes washers, clothes dryers, trash compactors and dishwashers that may be connected to and operate from a building's electrical or plumbing system, but which do not become a component of those systems.
- floor coverings that are area rugs or that are attached to the structure using only two-sided tape.

How do I apply for a Building Materials Exemption Certificate? A completed Project Application Form (Appendix B)_must be submitted prior to the start of the project and as many Contractor's BMEC Applications (Appendix C)_completed by all of the Construction contractors or other entities seeking exemption certificates as needed. Contact the appropriate municipality, or if in an unincorporated area, the appropriate County, who will assist with your applications and submit for review to the Enterprise Zone Administrator. The Zone Administrator, in turn, after a final review, will facilitate application with Illinois Department of Revenue, who will ultimately issue an Exemption Certificate within 72 hours of receiving an application. IDOR sends a message to the email address submitted on your applications with a link to download Certificate. To ensure continuity in this process, an Assistant EZ Administrator would be available during any EZ Administrator absences.

Is there a Fee required? The Illinois General Assembly (20 ILCS 655/8.2.c) has allowed for enterprise zones to charge an administrative fee for the issuance of Building Materials Sales Tax Exemption Certificates in order to help offset the management and operational costs associated with the administration of the Zone. Said fee shall be applied to the documented total cost of qualifying building materials for the project at the rate of .5% of cost of building materials not to exceed \$50,000. The fee will be due and payable to the Monroe-Randolph Enterprise Zone at the time of application. Fees received for approved Enterprise Zone projects that are located in Evansville, Chester, Sparta, Red Bud, unincorporated Randolph County, Valmeyer, Waterloo, Columbia, and unincorporated Monroe county, will get deposited into a separate Monroe-Randolph Enterprise Zone account and then can be used by the Zone Administrator for consultant assistance for state amendment applications to add new units of government, add new territory, delete territory, or remove, expand, limit or repeal incentives; for expenditures to improve the competitiveness or marketability of territory in the zone; or to defray the cost of any other EZ Administration connected to time for processing and program reporting. At the end of each year, the unused balance of the account would be re-evaluated in terms of the next year's handling. Fee schedules are determined on an annual basis.

Can suppliers, who do not have a brick-and-mortar presence in Illinois, be used by contractors/purchasers to get a sales tax exemption? Per ILDCEO, the promotion of Illinois businesses should be the first priority of any state-funded program and be taken into consideration by projects benefitting in an Illinois Enterprise Zone, but the Department defers to IDOR on final determinations. According to IDOR, suppliers already registered as an out-of-state vendor with Illinois can accept the Building Sales Tax Exemption Certificate, but it is voluntary on their part if they want to accept it. If supplier charges an Illinois sales tax, the Building Sales Tax Exemption can apply.

Are there reporting requirements if issued an Exemption certificate? In years that a Certificate is active, Contractors or other entities who receive this Exemption Certificate issued by IDOR are required to file a report with IDOR by May 31st of each year for prior year, that includes the dollar amount of exempt building materials that were purchased (even if it is zero). For more information on reporting requirements and the link to file report go to www.tax.illinois.gov and then look for the Business Incentives Reporting Link under the Business dropdown on the home page.

What are the penalties for misuse of an Exemption certificate? Certificate holders are responsible for ensuring that their certificates are used only to make qualified purchases. A certificate holder who uses the certificate or allows it to be used to improperly avoid tax will be assessed taxes and penalties on the purchase, an additional monetary penalty equal to the state and local sales taxes on the purchases, and may be barred from securing certificates for other projects.

INVESTMENT TAX CREDIT

What is the Enterprise Zone Investment Tax Credit? The Illinois Income Tax Act 35 ILCS 5/201, as amended allows a 0.5% credit against the state income tax for investments in qualified property placed in service in an enterprise zone. This credit is in addition to any other investment tax credit allowed under Illinois statute (consult your tax consultant).

Who are qualifying taxpayers? The credit may be taken by corporations, trusts, estates, individuals, partners and Subchapter S shareholders who make investments in qualified property and who otherwise meet the terms and conditions established by statute.

What is qualified property? "Qualified property" is property which:

- is tangible, whether new or used, including buildings and structural components of buildings.
- is acquired by purchase as defined in Internal Revenue Code (IRC) Section 179(d).
- is depreciable pursuant to IRC Section 167.
- has a useful life of four or more years as of the date placed in service in an enterprise zone.
- is used in the enterprise zone by that taxpayer.
- has not been previously used in Illinois in such a manner and by such a person as would qualify for the credit; and,
- is an improvement or addition made on or after the date the zone was designated to the extent that the improvement or addition is of a capital nature, which increases the

adjusted basis of the property previously placed in service in an enterprise zone and otherwise meets the requirements of qualified property.

What are examples of “qualified property”? Examples include machinery, equipment and buildings, structural components of buildings, elevators, materials tanks, boilers, and major computer installations. *(Examples of non-qualifying property are land, inventories, small personal computers, trademarks, typewriters, and other small, non-depreciable, or intangible assets.)*

What does "placed in service" mean? Qualified property is "placed in service" on the earlier of:

- The date the property is placed in a condition of readiness and availability for use,
- (OR)
- The date on which the depreciation period of that property begins. To qualify for the enterprise zone investment tax credit, the property must be placed in service on or after the date the zone was certified by the Department of Commerce and Economic Opportunity, and on or before the last day of the firm's taxable year.

What is “depreciable” property? Property must be depreciable pursuant to Internal Revenue Code Section 167. Depreciable property is used in the taxpayer's trade or business or held for the production of income (but not inventory), which is subject to wear and tear, exhaustion or obsolescence.

Are there some types of assets that may not be depreciable? Even though they are used in the taxpayer's business or trade or are held for the production of income, good will and land are examples. Other examples of tangible property, which are not depreciable, are inventories, natural resources and currency.

Does “used” property qualify for the enterprise zone investment tax credit? Used property does not qualify if it was previously used in Illinois in such a manner and by such a person as would qualify for either the statewide investment tax credit or the enterprise zone investment tax credit.

Example: A corporation purchases a used pick-up truck for use in its manufacturing business in an enterprise zone from an Illinois resident who used the truck for personal purposes in Illinois. If the truck meets the other requirements for the investment tax credit, it will not be disqualified because it was previously used in Illinois for a purpose, which did not qualify for the credit. However, had the corporation purchased the truck from an Illinois taxpayer in whose hands the truck qualified for the credit, the truck would not be qualified for the investment tax credit, even though the party from whom the truck was acquired had never received an investment tax credit for it.

What is the “basis” value of property? The "basis" value of property, for the purposes of this credit, is defined the same way it is defined for purposes of federal depreciation calculations. Essentially, the basis is the cost of the property, as well as related capital costs.

Does the enterprise zone investment tax credit carry forward? Yes. The credit is allowed for the tax year in which the property is placed in service, or, if the amount of the credit exceeds the tax liability for that year, the excess may be carried forward and applied to the tax liability of the five taxable years following the excess credit year. The credit must be applied to the earliest year for which

there is a liability. If there is credit from more than one tax year that is available to offset a liability, the credit accruing first in time is applied first.

How do I claim my Investment Tax Credit? File for state income tax credit in the taxing year in which the investment you made in qualified property is placed in service in the enterprise zone.

MANUFACTURING, MACHINERY AND EQUIPMENT SALES TAX EXEMPTION

What is the Manufacturing Machinery & Equipment (M, M & E) Sales Tax Exemption?

A state sales tax exemption is available for purchases of tangible personal property to be used or consumed in the manufacturing or assembly process or in the operation of a pollution control facility within an enterprise zone.

How does a business become eligible for the M, M & E Sales Tax Exemption? Eligibility for this incentive is contingent upon the business:

- Making an investment of at least \$5 million in an enterprise zone and has created a minimum of 200 full-time equivalent jobs in Illinois.
- (OR)
- Making an investment of at least \$40 million in an enterprise zone and has retained a minimum of 2,000 full-time jobs in Illinois.
- (OR)
- Making an investment of \$40 million in an enterprise zone and retaining 90 percent of the existing jobs to date.

What is an eligible investment? For purposes of this incentive, eligible investment may be either investments in “qualified property” as previously defined in the Enterprise Zone Investment Tax Credit section; (OR) non-capital and non-routine investments and associated service costs made for the basic construction, renovation or improvement of “qualified property” including productive capacity, efficiency, product quality or competitive position. *Regular maintenance and routine expenditures are not included.*

Are eligible sales limited to the units of government sponsoring the zone? No. Items eligible for the M, M & E state sales tax exemption may be purchased anywhere in Illinois.

What tangible personal property is eligible for the M, M & E sales tax exemption? To be eligible for this exemption, the tangible personal property must be directly used or consumed in the process of manufacturing or assembling tangible personal property for wholesale or retail sale or lease. Examples of this are included below and are only exempt to the extent they are used with machinery and equipment that qualifies for the statewide Manufacturing and Equipment Sales Tax Exemption:

- repair and replacement parts.
- hand tools used to maintain, repair, or operate machinery and equipment.
- abrasives, acids, polishing compounds, or lubricants used or consumed in the manufacturing or assembly process.
- coolants, adhesives , or cleaning compounds used to maintain, repair, or operate machinery and equipment.
- protective clothing and safety equipment.
- any fuel , chemical, or catalyst used for machinery and equipment.

How do I apply for the M, M & E Sales Tax Exemption? A business must complete an application to, and be certified by, ILDCEO documenting the eligible investment and that the job creation or job retention criteria will be met. Contact the Zone Administrator for more direction. *A majority of the “jobs created” or “retained” must be in the Enterprise Zone in which the eligible investment is made.*

UTILITY TAX EXEMPTION

What is the Utility Tax Exemption? A 5% state utility tax exemption on gas, electricity, and the Illinois Commerce Commission’s .1 per cent administrative charge and excise taxes on the act or privilege of originating or receiving telecommunications, is available to businesses located in enterprise zones, if they can meet required investment and job creation/retention.

How does a business become eligible for the Utility Tax Exemption? Eligibility for this exemption is contingent upon a business :

- Making an investment of at least \$5 Million in an enterprise zone and has created a minimum of 200 full-time equivalent jobs in Illinois.
- (OR)
- Making an investment of at least \$175 Million in an enterprise zone and has created a minimum of 150 full-time equivalent jobs in Illinois.
- (OR)
- Making an investment of at least \$20 Million in an enterprise zone and has retained a minimum of 1,000 full-time jobs in Illinois.

What is an eligible investment? For purposes of this incentive, eligible investment may be either:

- Investments in qualified property as defined in the Enterprise Zone Investment Tax Credit.
- (OR)
- Non-capital and non-routine investments and associated service costs made for the basic construction, renovation or improvement of qualified property including productive capacity, efficiency, product quality or competitive position. *Regular maintenance and routine expenditures are not included.*

How do I apply for the Utility Tax Exemption?

A business must complete an application to, and be certified by, ILDCEO documenting the eligible investment and that the job creation or job retention criteria has been met. Contact the Enterprise Zone Administrator for more direction. *The majority of the jobs created or retained must be located in the enterprise zone in which the investment occurs.*

Open Market Natural Gas Tax Exemption.

Companies who are located within the boundaries of an Enterprise Zone are entitled to an exemption on the state sales tax for “wheeled” or open market natural gas transactions. If you purchase natural gas from outside of Illinois, in order to receive the exemption, the Form RG-61 Gas Use Tax Exemption

Certificate must be completed and given to your delivering supplier. If any of the information you provide on Form RG-61 changes, you must complete a new Form RG-61. Even if no changes are required, a new Form RG-61 must be completed every five years to keep records current. Please contact the Monroe-Randolph County Enterprise Zone Administrator for further directions.

PROPERTY TAX INCENTIVES

Inquire with the pertinent local government with jurisdiction over your property in regard to any local property tax abatements they have to offer.

APPENDIX A
Monroe-Randolph County Enterprise Zone
PROJECT PRE-QUALIFICATION CHECK-LIST FOR EZ BENEFITS

Section I. Building Sales Tax Exemption and Investment Tax Credit

- A. Is the project located in the Monroe-Randolph Enterprise Zone? **YES/NO**
If NO, project ineligible for any EZ benefits; **discontinue processing**.
If YES, proceed to next question.
- B. Is remodeling, rehabilitation, or new construction for a commercial, industrial, or manufacturing project? **YES/NO**
If NO, project ineligible for EZ benefits; **discontinue processing**.
If YES, proceed to next question.
- C. Is the project's "total cost" (land, building, & anything attached to it permanently) >\$10,000? **YES/NO**
If NO, project ineligible for EZ benefits; **discontinue processing**.
If YES, proceed to next question.
- D. Have all building costs been incurred? **YES/NO**
If YES, project ineligible for EZ benefits; **discontinue processing**.
If NO, project could be eligible for **Building Materials Sales Tax Exemption** on unpurchased qualifying materials if total cost >\$10,000. Complete "Project Application form" (appendix B) and "Contractor's BMEC Application" (appendix C) as needed.
If NO, project could be eligible for the **Investment Tax Credit** and can take 0.5% credit against your state income tax for investments in qualified property in the Enterprise Zone.

(Refer to Monroe-Randolph Process Guide for more info. Proceed to Section II of Checklist.)

Section II. Manufacturing, Machinery and Equipment(M,M&E) Sales Tax Exemption and Utility Sales Tax Exemption

- A. Are you a manufacturer or assembler or pollution control operator in an enterprise zone? **YES/NO**
If NO, project ineligible for M, M, and E Sales Tax Exemption proceed to Section III.
If YES, are you making:
investment of is at least \$5 M and min. of 200 FTE jobs created in Illinois? **YES/NO**
(OR)
investment of at least \$40M & retaining a min. of 2,000 FTE jobs in Illinois? **YES/NO**
(OR)
investment of \$40M and retaining 90% of the existing jobs to date? **YES/NO**
If NO to all, project ineligible for the M, M, and E Sales Tax Exemption proceed to Section III.
If YES to one of the above, your project could be eligible for 6.25% Manufacturing, Machinery and Equipment Sales Tax Exemption.
To access, must apply to, and be certified by, ILDCEO documenting eligible investment & that job creation or job retention criteria will be met. *Refer to Monroe-Randolph Process Guide for more. Also Continue to Section III.*

Section III. Utility Tax Exemption

- A. Are you a business locating in an enterprise zone that is making:
Investment of at least \$5M and has created a minimum of 200 full-time equivalent jobs in Illinois? **YES/NO**
(OR)
Investment of at least \$175M and has created a minimum of 150 full-time equivalent jobs in Illinois? **YES/NO**
(OR)
Investment of at least \$20 M and has retained a minimum of 1,000 full-time jobs in Illinois? **YES/NO**
If NO to all, project ineligible for the state Utility Tax Exemption.
If YES to one of the above, project could be eligible for a 5% state Utility Tax Exemption on gas, electricity, and the ICC's .1% admin. charge and excise taxes. To access, apply to, and be certified by, ILDCEO documenting eligible investment & that job creation or job retention criteria will be met. Refer to Process Guide p. 10 for more information.

Appendix B

Monroe – Randolph County Enterprise Zone

Project Application

INSTRUCTIONS:

1. Proceed forward only if local government for your project location has pre-qualified you for the Building Sales Tax Exemption.
2. **Reminder: Do not order or purchase building materials before your sales tax certificate is issued.**
3. *Contractors/subcontractors, or other entities that will purchase building materials to be incorporated into the real estate within this state certified enterprise zone must also complete the required "Contractor's BMEC application form (appendix C) to receive the sales tax exemption certificate from IDOR (Please make as many copies of the Contractor form as needed).*
4. At the conclusion of the project, the Owner must provide the actual project information related to the Completion Date, Building Materials, Labor Costs and the number of Full Time Equivalent Employees.
5. Any new project on the same site /premises will require a separate certification by the Illinois Department of Revenue.
6. Please clearly print your responses. Also retain a copy of this application for your records
7. *The Enterprise zone benefits administration fee must accompany application before project will be approved to go forward with the Illinois Department of Revenue for the Building Sales Tax Exemption Certificate.*

Legal Name of Business			
Federal Employment Identification # (Fein) (nine digits)			
Business UIN (unemployment identification #			
NAICS Code (6-digit industry code			
<small>(Link to the NAICS codes: http://www.census.gov/cgi-bin/sssd/naics/naicsrch?chart=2007)</small>			
Enterprise Zone project Street address or location:			
City, State Zip:			
Owner or Contact Person		Phone:	
Email Address		Fax #	
Tax Mailing Address:			
Business Owner (if different than contact:			
Address:		Phone:	
City, State, Zip:			
Type of Business (check one)	<input type="checkbox"/> Commercial	<input type="checkbox"/> Industrial	Product(s) or Service(s)

PROJECT INFORMATION:

**Project Name:			
General Description of Proposed Project: i.e., rehab, new construction, expansion, new locations, major paving, new equipment.)			
Permanent Parcel Number(s) of project location:			
Does project involve a move from another locations?	<input type="checkbox"/> Y <input type="checkbox"/> N	If yes, indicate city and state	

Appendix BFIXED
Monroe – Randolph County Enterprise Zone
Project Application – CONTINUED

If a Building Permit is required for project	Date Building Permit Issued:	
--	------------------------------	--

Estimated Date of Project Start		Estimated Completion Date:	
(Date must not be earlier than certificate date)			

Estimated Cost of Project.

1) Estimated Qualifying Building Materials Cost (Please refer to page 5-6 of the Process Guide for guidance. Direct any eligibility questions on materials or fixed capital equipment not appearing on qualifying materials list to the EZ Administrator.)	\$
2) Estimated Cost of Labor	\$
3) Estimated Cost of non-qualifying materials	\$
3) Total Project Cost (1+2+3)	\$
4) Enterprise Zone Fee included with application: (.5% X #1)	\$

Job Creation/Retention:

# Employees Retained in Zone due to this project	
Estimated Number of Full Time Equivalent Jobs newly created at business site (not construction)	
Estimated Number of Full-time Equivalent <u>construction jobs</u> working at project site	

Signature of Business Owner/ Project Representative	Title	Date

Please submit completed project application with Enterprise Zone Fee to:

Ms. Edie Koch, Administrator Monroe-Randolph County Enterprise Zone

618.806-4739; E-Mail: ekoch@mciledc.com U.S. Mail 100 South Main, Waterloo IL 62298

(When Administrator unavailable contact Chris Martin, econdev@randolphco.org)

Note: Checks for Enterprise Zone fee should be made payable to Monroe-Randolph County Enterprise Zone.

(To Be filled in by Enterprise Zone Administrator)

Date Application Received Date Certification requested thru IDOR: Date Fee Paid

APPENDIX C

Monroe – Randolph County Enterprise Zone

For designated properties in Evansville, Chester, Sparta, Red Bud, unincorporated Randolph and Monroe counties, Valmeyer, Waterloo, Columbia,

Contractor's Building Materials Exemption Certificate Application

(required for each contractor, subcontractor, or owner who is purchasing or ordering materials)

<p>If you have a contract and are going to be providing materials for a project located within the Monroe -Randolph County Enterprise Zone, you must complete the Building Materials Exemption Certificate (BMEC) Application and submit to the Zone Administrator. All items must be completed on this form before the Monroe-Randolph County Enterprise Zone Administrator will submit application to Illinois Department of Revenue (IDOR) for a Building Materials Exemption Certificate to the contractor and /or project owner for the address declared on this application. Each contractor must have their own Building Materials Exemption Certificate issued by IDOR before he/she may order or purchase any building materials. NO BUILDING MATERIALS EXEMPTIONS ARE ALLOWED BY LAW, BEFORE THE CERTIFIED DATE.</p>			
**Project Name <i>(same as Appendix B form)</i>			
Project/ Company Owner name:			
Project Address (where you will be using the building materials)			
Contractor/Owner Business Name:			
Contractor/Owner Mailing address (no P.O. boxes allowed)			
Contractor/Owner Email Address:			
Contractor/Owner Phone#:		Or Cell#	
Contractor/Owners FEIN #: <i>(If no FEIN Number, go to IDOR website & apply for ID# before processing.)</i>		Or Sole Proprietor #	
Illinois Unemployment Insurance # (UIN):			

1. Total Contract Amount <i>(total Materials and Labor with tax figured in)</i>	\$	
2. Estimated Average Sales Tax Percentage: <small>(Local Tax Rates: Monroe County 7.5%; Valmeyer 7.5%, Waterloo 7.5%, Columbia 7.5%, Belleville 8.1%, Randolph County 7.25%; Chester 7.25%; Sparta 8.25%; Evansville 7.25%, Red Bud 7.25%, St. Clair County 7.35%.</small>	_____	%
3. Percentage of Contract that consists of building materials <u>qualifying</u> for exemption (see Monroe Randolph Enterprise Zone Process Guide pg. 5-6; includes large capital equipment permanently incorporated into real estate as stated on pg. 5-6)	_____	%
4. Estimated amount of qualifying materials for this project (#1 X #3)	\$	
5. Estimated amount of Sales and Use Tax Exemption on purchased materials (#4 X #2)	\$	
6. Estimated Labor cost	\$	

Contractor's start date:		Contractor's Completion Date:**	
<p><i>(**estimated date that your portion of the project will be finished purchasing and/or ordering materials. Allow yourself a bit of overage time as weather and delays can change when you expect to be complete. <u>Date declared will be the expiration of certificate</u>)</i></p>			
#employees estimated company will use on this project site.			
Contractor/Owner signature	Title	Date	

***Send completed form to ekoch@mciledc.com ***