



Harvard/Woodstock Enterprise Zone

McHenry County Administration Building,
2200 North Seminary Avenue, Woodstock, Illinois 60098



APPLICATION INSTRUCTIONS

Application forms must be completed by applicant and then certified by the Harvard/Woodstock Enterprise Zone Administrator and sales tax certificates issued by Illinois Department of Revenue **before** you are eligible for sales tax exemption! Each contractor who is providing materials must provide and/or complete the sales tax application form. Do not order or purchase building materials before your sales tax certificates are issued!

Information and items needed to complete applications

1. *Approved building permit*
2. *Enterprise Zone Business Name*
3. *Project address*
4. *Sales Tax Certificate Application: Information on each contractor that will be purchasing building materials sales tax exempt, incorporated into real estate within the Harvard/Woodstock Enterprise Zone by: rehabilitation, remodeling or new construction, must complete the required form provided to receive the sales tax exemption. You must apply to the Enterprise Zone administrator to receive the tax exemption from Illinois Department of Revenue. This is the only way you will receive the tax exempt certificate. All information requested on the sales tax exemption application form must be completed. These IDOR issued certificates are required by state law. You may copy the form for each contractor providing building materials sales tax exempt. NOTICE! As of July 1, 2013 each contractor and or project owner who has been issued sales tax certificate by IDOR, by law, must report the value of purchases made using the certificate on each project. Reporting is January 1 through May 31st of each year for the previous year's purchases at the IDOR website: <http://tax.illinois.gov/>.*
5. *Number of full and part time employees at project address including construction jobs.*
6. *Starting date & completion date. (The starting date must not be sooner than approval date of application.)*
7. *Cost of remodeling, new construction, building materials, capital equipment and site cost and preparation.*
8. *Company FEIN#*
9. *Illinois Unemployment Insurance number*
10. *NAICS Number (<http://www.naics.com/search.htm>) or your tax preparer*
11. *Correct parcel number*

12. Enterprise Zone Fee (Cost of Building Materials (#3) X .005(1/2 %) not to exceed \$50,000.

Please contact Charles Eldredge, Enterprise Zone Administrator, if you have any questions regarding this application.

Phone: 779.302.8583 Email: charleseldredge@harvardwoodstockenterprisezone.com

Address: Administration Building, 2200 North Seminary Avenue, Woodstock, IL 60098



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PROJECT APPLICATION

PROJECT # _____

will be issued by EZ Administrator upon approval

Enterprise Zone Business Name: _____

Project Address: _____

Owner or Contact Person: _____

Address: _____

Phone: _____ Cell: _____

Email Address: _____

Business owner (if different than contact)

Name of Individual or Company: _____

Address: _____

Phone: _____ Cell: _____

Email Address: _____

Type of Business: _____ Commercial _____ Industrial

Product(s) or Service: _____

Estimated Date of Project Start: _____ Completion: _____

Date must not be earlier than cert date

Estimated Cost of Project: (Amounts for 1 and/or 2 must coincide with building permit. Fee on building materials cost for remodeling and new construction only, see reverse.) **Abatement of real estate taxes will not be given over amount declared. Tax Increment Financing District by state law cannot receive real estate tax abatement.**

- 1) Remodeling \$ _____
- 2) New Construction Cost \$ _____
- 3) Building Materials Cost \$ _____
- 4) Capital Equipment \$ _____
- 5) Site (purchase and preparation) \$ _____

E-Zone Approval Stamp

JOBS:

Current Number of Full-time Equivalent Jobs _____ (Full-time equivalent jobs are calculated by dividing the total number of hours worked by persons at the project site, whether salaried or hourly by 1,820 hours.)

Jobs Retained due to project & certified so by Department of Commerce _____

Jobs Created within one year due to project _____ Construction jobs at site _____

Description of project: _____

Federal Employer Identification Number: _____

IL Unemployment Insurance Number: _____

NAICS Code Number: _____

Does this project involve a move from another location? _____

If yes, indicate city and state of previous location: _____

Signature: _____
Project Representative Title Date

NOTE: A COPY OF THE APPROVED BUILDING PERMIT, PARCEL NUMBER OR COPY OF DEED, AND THE E-ZONE APPLICATION FEE MUST ACCOMPANY APPLICATION, BEFORE PROJECT WILL BE APPROVED TO GO FORWARD WITH SALES TAX APPLICATON TO ILLINOIS DEPARTMENT OF REVENUE.

(To be filled in by Enterprise Zone administrator.)

Township: _____ Tax Code: _____

Parcel number(s): _____

Building Permit:

Grantor _____ Number _____ Date _____

(Dollar Amount of Building Materials from #3 on front) _____

X .005 = _____ Enterprise Zone Fee Not to Exceed \$50,000.

Project is: Accepted _____ Rejected _____ **E-Zone Approval Stamp**

Signature of Enterprise Zone Administrator



Harvard/Woodstock Enterprise Zone Sales Tax Exemption Application Contractors Instructions



PLEASE NOTE: If you have a contract and or are going to be providing building materials for a project located within the Harvard/Woodstock Enterprise Zone you must complete Building Materials Exemption Certificate (BMEC) for submission by the Zone Administrator to IDOR. Your Sales Tax Certificate will not be eligible for a BMEC for the project before the date that the project is certified by Illinois Department of Revenue (IDOR) issues the certificate to you by email. Each Enterprise Zone Project Contractor must have their own BMEC issued by IDOR before you may order or purchase any building materials.

****Indicates Enterprise Zone Office will complete!**

****Project#:** Issued by Enterprise Zone Administrator!

Project/Company Owner Name and Project Address: This is where you will be using building materials.

Contractor Business Name and Address: Your company name and mailing address, No PO boxes allowed.

Contractor Email: Where BMEC will be emailed when issued.

Contractor/Owners FEIN#: Contractor's FEIN#, An applicant without an FEIN must go to the Department of Revenue's secure website and enter his or her Social Security number. The department will provide an Applicant ID, which the applicant can bring to the Zone Administrator project manager to complete the application.

Contractor's Phone and Cell#: We must have both land line and cell numbers.

Contract information: EXAMPLE:	\$6,013,305.00 X's 50%	Contract Amount Percentage of contract that consists of building materials qualifying for exemption
	= \$3,00652.50 X's 6.25%	Estimated amount of building materials Local Tax Rate (Point of Sale/Delivery) Estimated amount of exemption for purchased materials (sales tax saved)
	= \$187,915.78	

Completion Date: This is an estimated date your portion of the project will be finished purchasing and/or ordering materials for your portion of the project. Please allow yourself a bit of overage time as weather and delays can change when you expected to be complete.

Signature, Title and Printed Name: These are necessary for the Enterprise Zone Office to contact you with questions about the application. We cannot proceed with the IDOR process without all the questions answered.

****Certification Start Date:** Will be filled in by Ezone Administrator, no BMEC's will be issued before this date. This is the date the project application is approved for project by the Zone Administrator

With Questions please contact: Harvard/Woodstock Enterprise Zone Administrator Charles Eldredge
Phone: 779.302.8583 Email: charleseldredge@harvardwoodstockenterprisezone.com
Address: 2200 Seminary Avenue, Woodstock, IL 60098



Harvard/Woodstock Enterprise Zone SALES TAX CERTIFICATE APPLICATION

(Only required for each vendor or contractor who is purchasing or ordering materials)



PROJECT# _____
issued by Zone Administrator

All items must be completed on this form before the Harvard/Woodstock Enterprise Zone Administrator will submit application to the Illinois Department of Revenue for a sales exemption certificate to the contractor and or project owner for the address declared on this application. Each contractor must have their own issued tax exemption certificate issues by the Department of Revenue. **NO BUILDING MATERIALS EXEMPTIONS ARE ALLOWED, BY LAW, BEFORE THE CERTIFIED DATE.**

Project /Company Owner Name: _____

Project Address: _____

Contractor Business Name: _____

Contractor Address: _____
Street Address Required (No P.O. Box) City State Zip Code

Contractor Email Address: _____
Must have to apply

Contractors Phone#: _____ Cell#: _____

Contractor/Owners FEIN #: _____
If you do not have a FEIN # you must go to the Illinois Department of Revenue website and apply for ID # before this application maybe processed

Contract Amount: \$ _____ Local tax rate: _____ %

Percentage of contract that consist of building materials qualifying for exemption: _____ %

Estimated amount of building materials for this project: \$ _____

Estimated amount of sales tax exemption for purchased materials: \$ _____

Contractor's Completion Date: _____ (Date declared will be expiration of Certificate)

Signature: _____ Title: _____

Printed Name: _____

*Please Note reporting requirements by law: All businesses or contractors with certificates issued **must** report the final value of purchases made using the certificate for the project location listed on the certificate, at: <http://tax.illinois.gov/>.*

ENTERPRISE ZONE OFFICE USE ONLY: Certification Start Date: _____

Harvard/Woodstock Enterprise Zone Administrator: Charles Eldredge
Phone: 779.302.8583 Email: charleseldredge@harvardwoodstockenterprisezone.com
Address: McHenry County Administration Building, 2200 Seminary Avenue, Woodstock, IL 60098



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Bulletin

Brian Hamer, Director

Updated Reporting Requirements for Business Incentives

To all entities required to report incentives, including High Impact Businesses, businesses in designated Enterprise and River Edge Redevelopment Zones, Zone Administrators, Building Materials Exemption Certificate holders and utility providers

This bulletin is written to inform you of recent changes; it does not replace statutes, rules and regulations, or court decisions.

This bulletin supersedes Informational Bulletin FY 2013-12.

Public Act 98-0109 made changes to the business incentives reporting requirements.

- Holders of sales tax exemption certificates from IOOR issued for the period beginning July 1, 2013, must file a report.
- Enterprise Zone and River Edge Redevelopment Zone Administrators no longer are required to file reports.
- The deadline to file reports for all of those required to do so has been changed to May 31 (previously the end of March).

For more detailed information, visit tax.illinois.gov and click on the "Business Incentives" link.

For information or forms
Visit our website at:
tax.illinois.gov

Who is Required to File a Report?

The following summarizes reporting requirements for calendar year 2013 due in 2014, including who is required to file a report, and the types of reports required.

- **Building Materials Exemption Certificate (BMEC) report-** If you obtained a sales tax exemption certificate issued by the Illinois Department of Revenue for the period on or after July 1, 2013, you are required to file a report with the Illinois Department of Revenue (IDOR). You are required to report the dollar amount of exempt building materials that you purchased. The requirement to file a BMEC report is new, and is mandated by Public Act 98-0109, effective July 25, 2013.
- **Administrator report-** Enterprise Zone and River Edge Redevelopment Zone Administrators should not file reports. Public Act 98-0109 eliminated the administrator reporting requirement.
- **Business report –** Businesses that receive incentives because they are located within either an Enterprise Zone or River Edge Redevelopment Zone, or because they are a High Impact Business, must file a business report with IDOR. Each business that receives incentives must provide the information IDOR requests. IDOR will determine the value of incentives for the business based on the information reported.

- **Utility Company report** – Businesses and other entities that are required to file under the Gas Revenue Tax Act, Gas Use Tax Act, Electricity Excise Tax Act, or the Telecommunications Excise Tax Act must report the information IDOR requests about any utility customers who received incentives due to the customer's location within an Enterprise Zone or the customer's certification as a High Impact Business.

How do I file a report?

Use the IDOR online reporting system available through the Department's website, tax.illinois.gov. Click on "Business Incentives," located on the left side of the screen. From there, click "File Now" to go to the filing system. After reading the general information about the system, click the "Next" button to start your filing session.

If you are a:

- **Business that received incentives**, select the tab labeled "Business Report."
- **Utility**, select the tab labeled "Utility Company Report."
- **BMEC holder**, select the tab labeled "BMEC Report."

The system includes prompts and tips, indicated with a "?" to guide you through the report.

What do I need to file a report?

Depending on the type of filer you are, you should have the following information available when filing a report.

- **BMEC report filers** – Certificate holders need the number used to register for their building materials exemption certificates (Federal Employer Identification Number (FEIN), Social Security number (SSN), or Applicant Identification number). Once logged into the system, the reporting application provides a list of all current certificates you hold that were issued for the period beginning July 1, 2013. For each project-related certificate, you will need to declare the dollar value of the building materials you purchased July 1 -December 31, 2013, using each of your certificates.
- **Business report filers**-You are required to enter identifying information for your business, such as Tax ID number, the type of zone, and zone name, if applicable.
- **For all report filers**-Once you are in the system, you will be asked to create a Report Access Code (RAG). A RAG is a temporary code that allows you to begin filing a report, leave in the middle of a filing session before submitting the report, and resume the filing at a later time. A RAG can be any 4 to 8 digit number that you wish to create. Each reporting period requires a RAG of your creation, but you can use the same RAG multiple times, if you choose.

When are reports due?

All reports for the previous calendar year are due no later than May 31 of the following year. However, if a report deadline falls on a Saturday, Sunday, or holiday, the deadline to file automatically defaults to the following business day. For example, reports for the 2013 tax year are due on June 2, 2014, because May 31 is a Saturday.

Is the 60-day extension available for reporting?

No. Public Act 98-0109 extended the reporting deadline for all filers from March 30 to May 31 of each year. It also eliminated IDOR's authority to grant filing extensions. Businesses that fail to timely report may be subject to penalties.

Are there penalties if a certificate holder fails to file a report?

Certificate holders who fail to report sales tax exemption benefits for building materials purchased may have their certificates revoked, and may become ineligible to receive certificates for other projects.

Are there penalties if a business fails to file a report?

Yes, businesses that fail to report benefits may lose their eligibility to receive incentives.

Where can I find more information about reporting requirements for business, utility, and certificate holder reports?

The Department will maintain up-to-date information on our website at tax.illinois.gov. Frequently Asked Questions (FAQ) pages have been developed to provide more specific detail about each reporting type. Look for the "Business Incentives" button on our homepage to get started.



Harvard/Woodstock Enterprise Zone

TAX INCENTIVES



SALES TAX DEDUCTION ON BUILDING MATERIALS: Building materials used for incorporation into projects in the Enterprise Zone are exempt from sales tax with a certificate issued from the Illinois Department of Revenue (IDOR). Certificates are applied for by the Enterprise Zone Administrator of the zone where the building materials will be incorporated. In the Harvard/Woodstock Enterprise Zone you must have a project application approved by the zone administrator and a separate sales tax exemption form completed by each contractor & or owners prior to the submission of sales tax exemption request to the IDOR. These forms are available from the Enterprise Zone Office. There is a 0.5% fee on the total of building materials cost for renovation and new construction not to exceed \$50,000. It is recommended to apply 7 days in advance of wanting to order or purchase materials.

The City of Harvard will refund an amount equal to its 1% local share sales tax on building materials incorporated in a project and purchased within the City of Harvard, for a one year period starting with the effective date of the project, upon presentation to the Administrator of proof of payment of such local sales tax.

PROPERTY TAX ABATEMENT: Improvements in the Harvard/Woodstock Enterprise Zone are eligible for real estate tax abatements as long as the property is not located in a TIF District. Abatement amounts apply to increased assessed value of improvements. Abatements are granted by The City of Woodstock, The City of Harvard, and Harvard District 50. Abatements are calculated at 100% for four years, 50% for an additional two years and 25% for a final two years. The Enterprise Zone Administrator will provide a tax abatement estimate upon request.

DEMOLITION: The following provision will apply to all projects involving demolition and new construction. Any project which involves new construction on a site which previously was occupied by a building/s will receive the real estate tax abatement on a "net new" basis. That is, the increased assessment amount to be abated will be based on the most recent assessment of the property which includes the evaluation of the original building(s).

INVESTMENT TAX CREDIT: The Illinois Income Tax Act allows a .5% credit against state income tax for investments in qualified property placed in service in the Enterprise Zone. This credit is in addition to any other investment tax credit allowed under Illinois statute (consult your tax consultant).

EZ MACHINERY AND EQUIPMENT SALES TAX EXEMPTION:

The Revenue Act 35 ILCS 120/1df-1 f, as amended allows a business enterprise that is certified by the Department of Commerce, that either creates a minimum of 200 full-time equivalent jobs in Illinois; or retains a minimum of 2,000 full-time jobs in Illinois; or which retains 90% of the existing jobs, a 6.25 percent state sales tax exemption on all tangible personal property which is used or consumed within an enterprise zone in the process of manufacturing or assembly of tangible personal property for wholesale or retail sale or lease. This exemption includes repair and replacement parts for machinery and equipment used primarily in the wholesale or retail sale or lease, and equipment, manufacturing fuels, material and supplies for the maintenance, repair or operation of manufacturing, or assembling machinery or equipment.

UTILITY TAX EXEMPTION/MACHINERY AND EQUIPMENT DEDUCTION:

Businesses which make an investment in an Enterprise Zone which creates a minimum of 200 full-time equivalent jobs or retains 1,000 jobs is eligible for tax exemption on utilities. Businesses which make an investment of \$5 million or more which creates at least 200 jobs or retains 2,000 or 90% of existing jobs is eligible for sales tax exemption on personal property used or consumed in the manufacturing process.

Application forms for sales tax exemption and real estate taxes abatement **must be** completed by applicant and then certified by the Harvard/Woodstock Enterprise Zone Administrator and sales tax certificates issued by Illinois Department of Revenue before you are eligible for sales tax exemption. Each contractor and who is providing materials must provide and or complete the sales tax application form. *Do not order or purchase building materials before your sales tax certificates are issued!*

It is recommended to apply 7 days in advance of wanting to order or purchase materials.

All Enterprise Zone projects must be certified by the zone administrator prior to start of construction. Building permits are required; there is an application fee.

****Business Report-**Businesses that receive incentives because they are located within either an enterprise zone or river edge redevelopment zone, or because they are a high impact business, must file a business report with IDOR. Each business that receives incentives must report the information IDOR requests, and IDOR will complete the incentive calculations for the business. **Enterprise** zone businesses must also provide their Zone Administrator with the information required in the Act. Reports are to be submitted on line at <http://www.revenue.state.il.us> by March 31 of each year.

FOR ASSISTANCE AND TO APPLY PLEASE CONTACT

Charles Eldredge, Enterprise Zone Administrator

Phone: 779.302.8583

Email:charleseldredge@harvardwoodstockenterprisezone.com

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