



Driving Economic Success



Sequoia Valley Enterprise Zone 2012



Workforce Investment Board
OF TULARE COUNTY
Driving Economic Success



Enterprise Zone

- **Businesses Can Receive**
 - 21 Day Permit Fast Tracking
 - 5 Year No Interest Development Fee Deferral
 - State Tax Hiring Credits
 - State Tax Credits for Purchase of Equipment
 - Fifteen Year Net Operating Loss Carryover
 - Accelerated Expense Deductions
 - Net Operating Loss Carry-forward
 - Net Interest Deduction for Lenders



Eligible Areas

- **Businesses Must Be Located**
 - **8 Incorporated Cities of Tulare County**
 - Dinuba
 - Farmersville
 - Porterville
 - Visalia
 - Exeter
 - Lindsay
 - Tulare
 - Woodlake



Eligible Areas

- **Or in the Following Communities**

-Cutler-Orosi

-Earlimart

-Goshen

-Pixley

-Terra Bella

-Three Rivers

-Tipton

-Traver



How It Works

- **Hiring Tax Credits Are Claimed by Business For New Hires**
- **Business Will Save Over \$37,000 in Tax Credits Over a 5 Year Period**
- **There Is No Limit to the Number of Employees That a Business May Claim**



Qualifying Criteria

- **How Do EZ Employees Qualify?**
 - **One of 13 Criteria as Shown On the Prescreening Form Such As:**
 - Native American
 - Low-Income
 - WIA Registered Client
 - Receiving UI
 - Military Veteran
 - Dislocated Worker
 - Ex-Offender
 - Public Assistance
 - OR**
 - Live and Work In the Zone



Calculated Hiring Credit

- Credit is Equal to a Percentage of Wages

<u>Year</u>	<u>Credit</u>
1	50%
2	40%
3	30%
4	20%
5	10%

- Credit is Limited to 150% of State Minimum Wage
 - Currently \$8.00 per Hour in California



Cumulative 5-Year Credit

- Hypothetical Forecast @ \$12/Hour

<u>Year</u>	<u>Max Credit</u>
2012	\$ 12,480
2013	\$ 9,984
2014	\$ 7,488
2015	\$ 4,992
2016	\$ 2,496

- Total Credit after 5 Years: \$ 37,440



What If...??

- **Expanding Company Purchases \$2 Million in New Machinery and Hires 10 New Employees**

<u>Year</u>	<u>Hiring Credit</u>	<u>Sales Tax Rebate</u>
1	\$124,800	\$155,000
2	\$ 99,840	
3	\$ 74,880	
4	\$ 49,920	
5	\$ 24,960	

- **Total Credit after 5 Years: \$ 529,400**



Other Potential Credits

- **Research & Development Credits**
- **Work Opportunity Tax Credits**
- **Other Potential Deductions**
- **Employees Get Deduction on Personal Income Taxes**



Questions?