

## **Beloit Development Opportunity Zones**

### **Program Description**

The Development Opportunity Development Zone enables businesses that make capital investments and create / retain jobs within a designated geographic area eligible for State of Wisconsin Income Tax Credits. While these credits are non-refundable, they do possess a carry-forward provision.

### **Activities Eligible for Tax Credits**

- Capital Investments – a tax credit of up to 3.0% of eligible real and personal property capital investments.
- Environmental Remediation – a tax credit of up to 50% of eligible environmental remediation costs, including investigation costs
- Job Creation – a minimum of ten (10) new full-time jobs paying at least \$10.88/hour must be created to be eligible for jobs tax credits. Tax credit ranges from \$3,000 to \$8,000 per job depending on wage rate (higher wages earn higher tax credits). Company must make efforts to fill at least  $\frac{1}{4}$  of the positions being created with applicants from targeted groups that include dislocated workers, some economically disadvantaged individuals, vocational rehabilitation referrals and recipients of public assistance.
- Job Retention – a tax credit of up to \$6,000 per job, depending on wage rate (higher wages earn higher tax credits).
- Maximum tax credit – In setting the tax credit allocation, Commerce will consider the projected tax liability of a business, as well as its ability to earn tax credits through job creation/retention, capital investment and environmental remediation
- Developer Build-to-Suit / Lease-Back Projects -- In certain cases, developer can qualify for tax credits on the land and building investment and tenant can qualify for tax credits on capital equipment and job creation.

### **Application Process**

1. Meet with local economic development officials to discuss details of planned development project.
2. Complete the Wisconsin Economic Development Corp. (WEDC) Prospect Data Sheet describing the project and quantifying the capital investment and / or job creation.
3. City makes recommendation to WEDC on tax credit allocation. WEDC reviews application and approves tax credit award, setting an allocation.
4. WEDC enters into a contract with the company detailing tax credit allocation, job creation commitments and performance expectations.
5. WEDC releases tax credits upon completion of capital investment and initial job creation / retention. Company submits annual reports to WEDC documenting compliance with contract provisions.
6. Contacts: Beloit – City of Beloit - Andrew Janke (608.364.6748 [or\\_janke@beloitwi.gov](mailto:or_janke@beloitwi.gov)); City of Janesville - Gale Price (608.755.3059 or [priceg@ci.janesville.wi.us](mailto:priceg@ci.janesville.wi.us)); Wisconsin Economic Development Corporation – Jason Scott (608.210.6790 or [jason.scott@wedc.org](mailto:jason.scott@wedc.org)).