

# VILLAGE OF RANTOUL ENTERPRISE ZONE

Application Packet  
For  
Enterprise Zone Projects



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## **ENABLING LEGISLATION**

“The General Assembly finds and declares that the health, safety and welfare of the people of this State are dependent upon a healthy economy and vibrant communities; that the continual encouragement, development, growth and expansion of the private sector within the State requires a cooperative and continuous partnership between government and the private sector; and that there are certain depressed areas in this State that need the particular attention of government, business, labor and the citizens of Illinois to help attract private sector investment into these areas and directly aid the local community and its residents. Therefore, it is declared to be the purpose of this Act to explore ways and means of stimulating business and industrial growth and retention in depressed areas and stimulating neighborhood revitalization of depressed areas of the State by means of relaxed government controls and tax incentives in those areas.”  
(From the Enterprise Zone Act, *Illinois Revised Statutes*, Chapter 67 ½, December 7, 1982.)

## **RANTOUL ENTERPRISE ZONE**

On February 24, 1987, the State of Illinois approved the Village’s application for enterprise zone designation. As stated above, enterprise zones are meant to stimulate economic growth and neighborhood revitalization by providing public incentives for private investment. This information booklet provides information and application material to assist you. You may obtain additional information by contacting Michael Loschen, the Zone Administrator at 217-893-1661 x224.

## **ELIGIBILITY FOR INCENTIVES**

All applicants seeking incentives will have their applications reviewed based, in part on three criteria: location, timing and project definition.

### **LOCATION**

Projects must be located within the geographic area designated as the Rantoul Enterprise Zone. Please refer to the attached map or contact the Zone Administrator to determine applicability.

### **TIMING**

Project site preparation, site improvements or building construction may not be initiated prior to March 1, 1987, for sales tax exemption or February 27, 1987 for all other incentives. If you start a project after February 27, 1987, you must make application to the Zone Administrator prior to any site preparation, site improvements or construction of buildings as may be applicable.

### **PROJECT DEFINITION**

For an industrial project, the primary use of the project land and buildings must be of a manufacturing assembly, wholesale and/or warehouse distribution nature.

For a commercial project, the primary use of the land and buildings must be of a service or retail nature. “Retail” refers to the sale of goods for delivery on or from the project site to the ultimate customer. “Service” refers to provisions of a service to the ultimate customer.

Please see the “Definitions” section of this packet for a more detailed discussion of eligibility criteria.

**INCENTIVES**

The following is a brief overview of local and state incentives for eligible industrial and commercial projects. Residential projects will only receive a sales tax exemption on building supplies.

*All enterprise zone benefits shall cease 10 years after project completion or December 31, 2017, whichever occurs first. No property tax abatements will be able to be filed with Champaign County after June 30, 2017.*

**LOCAL INCENTIVES**

Sales Tax Exemption – The Village has authorized claims for point of sale exemption of sales tax for each retailer who makes a sale of building materials to be incorporated into real estate located in the Zone by the rehabilitation, expansion or new construction of any commercial or industrial project for which a building permit is required and has been obtained.

Property Tax Abatement – Beginning January 1 of the year following the occupancy certificate for a project in the Zone, there will be permitted limited property tax abatement. The abatement will be granted for a period of ten years or remaining life of zone and will be on the increased equalized valuation attributable to the project rehabilitation, expansion or new construction. The refund or abatement will be on a sliding scale as follows:

**Rebate on Increased Assessed Valuation**

<u>Increased Equalized Assessed Valuation</u>	<u>Abatement Percentage Per Year</u>
\$333,334.00 to \$666,666.00	10%
\$666,667.00 to \$999,999.00	20%
\$1,000,000.00 to \$1,333,333.00	30%
\$1,333,334.00 to \$1,666,666.00	40%
\$1,666,667.00 and above	50%

The abatement will include applicable property taxes imposed by the Village, the Rantoul Township High School and the Rantoul City Schools.

**STATE INCENTIVES**

Machinery and Equipment Exemption – For projects which create at least 200 full-time jobs or retain at least 2,000 jobs, a 5% state sales tax exemption is available on repair and replacement parts for machinery and equipment used in manufacturing or assembling of goods for wholesale, retail or lease; equipment; manufacturing fuels; and materials or supplies for operation, repair or maintenance of the equipment.

Pollution Control Facilities Exemption – A project which meets the same jobs criteria as stated above is eligible for a 5% state sales tax exemption on tangible property used or consumed in the operation of pollution control facilities.

Utility and Telecommunication Excise Tax Exemption – For projects with a \$5 million investment that create at least 200 full-time jobs, or a \$175 million investment which causes the creation of 150 full-time equivalent jobs since June 16, 1997, or a \$20 million investment which causes the retention of at least 1,000 jobs, a state tax exemption is available on gas, electricity, and the Illinois Commerce Commission's administrative charge. The business must make application to the Illinois Department of Commerce and Economic Opportunity to receive this benefit.

Investment Tax Credit – An investment tax credit of 0.5% is allowed for up to 5 years for taxpayer who invests in qualified property (machinery, equipment, buildings) in a zone. This is in addition to the 0.5% investment tax credit available throughout the state.

Jobs Tax Credit – This allows a business a credit of \$500.00 on their Illinois income taxes for each job created in the zone for which a certified dislocated or economically disadvantaged individual is hired. A minimum of five workers must be hired to qualify for this credit.

Dividend Income Deduction – Individuals, corporations, trusts and estates are not taxed on dividend income from corporations doing substantially all of their business in a zone.

Interest Deduction – Financial institutions are not taxed on the interest received on loans for development within an enterprise zone. The loans must be made for property which qualifies for the Enterprise Zone investment tax credit.

Contribution Deduction – Businesses may deduct from taxable income double the value of a cash or in-kind contribution to an approved project of a Designated Zone Organization. An application is required to be submitted to the Illinois Department of Commerce and Economic Opportunity to receive this benefit.

### **ZONE ADMINISTRATION**

The Zone Administrator will manage the enterprise zone program daily. The Zone Administrator may be reached at the Rantoul Municipal Building, 333 South Tanner Street, Rantoul, Illinois 61866, or at 217-893-1661 x224.

## DEFINITIONS

Full-Time Employee	--	An employee who is hired for a period of indefinitely continuous duration who receives full employment benefits and who regularly works not less than thirty-five (35) hours within a period of seven (7) consecutive days.
Full-Time Equivilant (FTE)	--	A unit of measure used to represent those employees hired for a period of indefinitely continuous duration and who are regularly scheduled to work less than thirty-five (35) hours per week and whose total amount of hours worked equal 2,080 annually.
Primary Use	--	That use which occupies at least fifty-one percent (51%) of the floor area or site area devoted to the conduct of that business use and which accounts for at least fifty-one percent (51%) of the gross annual income of that business use.
Retail Projects	--	Those projects where the primary use of the project land and building(s) is the sale of goods for delivery on or from the premises to the ultimate customer. If eighty percent (80%) or more of the annual dollar volume of the sales made from a business is subject to the Illinois Retailers Occupation Tax, the business shall be considered retail.
Service Projects	--	Those projects where the primary use of the project land and building(s) is the provision of a service. The term does not include sale of goods from the premises except those goods incidental to the service provided.

**VILLAGE OF RANTOUL ENTERPRISE ZONE**  
**Commercial/Industrial Project Application**

**A. Project Information – To be completed by applicant**

1. Name of Project: \_\_\_\_\_
2. Project Address: \_\_\_\_\_, Rantoul, Illinois
3. Property Tax I.D. Number: \_\_\_\_\_  
(attach last year's property tax bill)
4. Name of Property Owner: \_\_\_\_\_  
Address: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Fax: \_\_\_\_\_  
Email: \_\_\_\_\_
5. Contact Person (if different from owner):  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Fax: \_\_\_\_\_  
Email: \_\_\_\_\_
6. Federal Employer Identification Number: \_\_\_\_\_
7. Illinois Unemployment Insurance Number: \_\_\_\_\_
8. General Description of Proposed Industrial/Commercial Activity: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
9. Type of Construction (check all appropriate classifications):  
 Rehabilitation of existing building (no increase in exterior dimensions)  
 Expansion of existing building  
 New construction on vacant land

10. Estimated Cost of:
- Site: \_\_\_\_\_
- Capital Equipment: \_\_\_\_\_
- New Construction: \_\_\_\_\_
- Rehabilitation: \_\_\_\_\_
- Expansion: \_\_\_\_\_
11. Full-Time and Full-Time Equivilant (FTE) Job Generation (see “Definitions” page in this packet):
- a. Current number of full-time or FTE jobs at project location (exluding construction-related labor): \_\_\_\_\_
- b. Projected number of full-time or FTE jobs to be created within 24 months of project occupancy as a result of the new investment: \_\_\_\_\_
- c. Number of full-time or FTE jobs to be retained as a result of the new investment: \_\_\_\_\_
12. Expected Starting Date of Construction: \_\_\_\_\_
- Expected Date of Occupancy: \_\_\_\_\_
13. Does this project involve a move from another location? \_\_\_\_\_ Yes  
 \_\_\_\_\_ No
- If yes, state previous address: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
14. Attach an estimate of the building materials that are to be incorporated into the real estate of the project. See pages 11-12.

AFFIDAVIT

I hereby declare, under penalty of perjury, that the information provided herein is true and accurate to the best of my knowledge.

\_\_\_\_\_  
 Property Owner or Authorized Agent

\_\_\_\_\_  
 Date

**B. Calculations – To be completed by Zone Administrator**

1. Date Application Received: \_\_\_\_\_  
Received by: \_\_\_\_\_

2. Abatement calculation:

a. EAV of project at time of permit application:

Land: \_\_\_\_\_

Improvements: \_\_\_\_\_

TOTAL: \_\_\_\_\_

b. Estimated EAV of project following project improvements (based on cost estimates given in Part A-8):

Land: \_\_\_\_\_

Improvements: \_\_\_\_\_

TOTAL: \_\_\_\_\_

c. Tax rate eligible for abatements: \$ \_\_\_\_\_/\$100 EAV

d. Estimated tax abatements: \$ \_\_\_\_\_/ over 10 years or remaining live of zone

3. Project Verification:

Project #EZ - \_\_\_\_\_ - \_\_\_\_\_, an (industrial) (commercial) project, resulting in the creation of \_\_\_\_\_ additional full-time or FTE jobs and located within the Enterprise Zone, is eligible for a \_\_\_\_\_% abatement of the applicable taxes on the parcel(s) over a ten-year period or remaining life of the Zone and an exemption of local sales tax on applicable building materials to be incorporated into the project.

\_\_\_\_\_  
Zone Administrator

4. Certificate of Eligibility: EZ - \_\_\_\_\_ - \_\_\_\_\_  
Date: \_\_\_\_\_

5. Building Permit # \_\_\_\_\_ - \_\_\_\_\_

**C. Verification of Actual Tax Abatement – To be completed by Zone Administrator 12 months after project occupancy**

- 1. Base (EAV) (line 2a): \$ \_\_\_\_\_
- 2. Increased EAV (obtained from County Clerk) \$ \_\_\_\_\_
- 3. Amount eligible for tax abatement \$ \_\_\_\_\_
- 4. Tax rate available for abatement \$ \_\_\_\_\_/\$100 EAV
- 5. Actual tax abatement for first year \$ \_\_\_\_\_
- 6. Actual tax abatement for five years or remaining live of zone \$ \_\_\_\_\_

**D. Verification of Actual Employment Generation – To be completed by Zone Administrator 24 months after project occupancy.**

- 1. Number of full-time or FTE employees \_\_\_\_\_
- 2. Source of information: \_\_\_\_\_  
Date: \_\_\_\_\_

**VILLAGE OF RANTOUL ENTERPRISE ZONE**  
**Residential Project Application**

1. Applicant's Name: \_\_\_\_\_
2. Homeowner \_\_\_\_\_ Contractor \_\_\_\_\_
3. Property Address: \_\_\_\_\_, Rantoul, Illinois
4. Property Tax I.D. Number: \_\_\_\_\_  
(attach last year's property tax bill)
5. Contact Person:  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Telephone: \_\_\_\_\_  
Fax: \_\_\_\_\_  
Email: \_\_\_\_\_
6. Federal Employer Identification Number of General Contractor: \_\_\_\_\_
7. Illinois Unemployment Insurance Number of General Contractor: \_\_\_\_\_
8. Expected Starting Date of Construction: \_\_\_\_\_  
Expected Date of Completion/Occupancy: \_\_\_\_\_  
(Completion/Occupancy date may up to one year. Projects that remain unfinished after one year must reapply for enterprise zone sales tax exemption.)
9. General Description of Project (type of construction, square feet, etc): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
10. Estimated Cost of Project (Amounts must coincide with building permits):  
New Construction: \_\_\_\_\_  
Renovation: \_\_\_\_\_  
Site (Purchase and Preparation): \_\_\_\_\_
11. Has a building permit been issued for this project? \_\_\_\_\_

12. If issued, general permit number: \_\_\_\_\_ Date of Permit: \_\_\_\_\_

13. Attach an estimate of the building materials that are to be incorporated into the real estate of the project. See pages 11-12.

AFFIDAVIT

I hereby declare, under penalty of perjury, that the information provided herein is true and accurate to the best of my knowledge.

\_\_\_\_\_  
Property Owner or Authorized Agent

\_\_\_\_\_  
Date



