



Enhanced Rural Enterprise Zone Job Credits

Enhanced Rural Enterprise Zones offer greater financial incentives to businesses that create new jobs in designated economically lagging rural areas. These credits are available for tax years beginning on or after January 1, 2003.

The Credits:

Businesses that create new jobs in a new or qualifying expanded business facility in an eligible Enhanced Rural EZ ("EREZ") are eligible for a total credit of **\$2,500** per new business facility ("NBF") employee. (This is the combined enhanced credit of \$2,000 in an EREZ plus the regular enterprise zone tax credit of \$500 per NBF employee.)

For NBF employees hired in an agricultural processing business in an EREZ, there is an **additional** credit of \$1,000 – in other words, a total of **\$3,500 per new ag processing job**. (\$500 per NBF ag processing employee in an EREZ, plus the regular EZ credit of \$500 per NBF ag processing employee, plus the \$2,500 basic NBF and EREZ NBF credits.)

EREZ credits earned in excess of the taxpayer's tax liability may be carried forward for up to seven years (the regular EZ new job credits have a five year carryforward).

Businesses in an EREZ may also be eligible for normal EZ investment, job training, and other tax credits.

The Enhanced Rural Zones: The following counties are Enhanced Rural Enterprise Zones (2007-2008*):

ALAMOSA	CONEJOS	HINSDALE	LINCOLN	PHILLIPS
ARCHULETA	COSTILLA	HUERFANO	*LOGAN	PROWERS
BACA	CROWLEY	JACKSON	MINERAL	*RIO GRANDE
BENT	CUSTER	KIOWA	*MOFFAT	SAGUACHE
*CHAFFEE	DELTA	*KIT CARSON	OTERO	SAN JUAN
CHEYENNE	DOLORES	LAKE	OURAY	SEDGWICK
*CLEAR CREEK				WASHINGTON

*For prior tax years: Chaffee, Rio Grande Counties eligible 2003-04 but not 2005-06.
Kit Carson County eligible beginning 2005-06.
Clear Creek, Logan, Moffat Counties not eligible prior to 2007-08.
Las Animas County eligible only 2003-04.
Yuma County eligible only 2005-2006

Enhanced Rural Enterprise Zones are those portions of regular enterprise zones that lie within counties meeting at least two of the following five criteria:

- County unemployment rate greater than 50% above state average
- County per capita income less than 75% of state average
- County population growth rate less than 25% of state average
- Total non-residential assessed value ranks in lower half of all counties
- County population less than 5,000

The state promulgates a revised list of eligible counties every two years. When a county goes off the EREZ list, taxpayers who have future job creation plans in such a county may file a certification, signed by the local enterprise zone administrator, with the Department of Revenue for an extension of up to five additional years to continue claiming EREZ credits based on additional job creation.

See Department of Revenue "FYI Income 10 – Enterprise Zone New Business Facility Employee Credits" for more information:
<http://www.revenue.state.co.us/fyi/html/income10.html>