



URBANA ENTERPRISE ZONE

Your Project May Qualify For Incentives

Please read through the following information carefully, and call the Economic Development Division at (217) 328-8274 with questions or for additional information

Incentives Available for Qualifying Projects:

Sales Tax Exemption for Building Materials

A state sales tax exemption for eligible building materials is available for projects located within the enterprise zone. Sales Tax Exemptions are only available for new materials that will be permanently affixed to the property and purchased from a qualified Illinois retailer. Labor costs are ineligible to receive Sales Tax Exemptions. Vendors must obtain Sales Tax Exemption Certificates directly from the Illinois Department of Revenue to utilize the Sales Tax Exemption.

Property Tax Abatement

A five to seven year abatement of property taxes from multiple taxing bodies is available for new projects located within the Enterprise Zone. The abatement percentage and timeframe varies based on the type of project and number of jobs created by the project.

Eligibility Criteria

Eligible Uses

- Commercial
- Industrial
- New Construction Single family residential
- New Construction Duplex residential
- New Construction Townhomes or other zero lot line residential
- Mixed-use residential if 20% of the total square footage is commercial
- All uses require a City of Urbana Building Permit

Location Requirements

- The project must be located with the Urbana Enterprise Zone. Please see attached map, or go online at <http://urbanaininois.us/EZ> to determine if your project is located within the Enterprise Zone.
- Properties that are also located in a Tax Increment Finance District are eligible to receive Sales Tax Exemption Certificates but are not eligible for Property Tax Abatements through the Enterprise Zone.

Minimum Project Costs

- \$1,000 to receive Sales Tax Exemption Certificates.
- \$80,000 to receive Property Tax Abatements for new residential.
- \$100,000 to receive Property Tax Abatements for commercial, industrial, and mixed-use.

How do I obtain Urbana Enterprise Zone incentives?

1. Determine if your project is eligible

- a. Review eligibility criteria.
- b. Contact the Economic Development Division at (217) 328-8274.

2. Obtain a valid Building Permit

- a. Contact the Building Safety Division at (217) 328-8274 with questions.

3. Complete the Master Application for Enterprise Zone Incentives

- a. To receive incentives, the Master Application must be submitted **within 90 days** the date the building permit is issued.
- b. Only **one** Master Application is required per project.
- c. Applications are available on Urbana's website at: <http://urbanaillinois.us/EZ>

4. Complete supplemental Sales Tax Exemption Certificate Forms (Form A)

- a. **Each** entity seeking a Sales Tax Exemption certificate (contractors, subcontractors, etc.) must fill out a new Form A.
- b. If the application is approved by staff it will be forwarded to the Illinois Department of Revenue. The Department of Revenue will issue a sales tax exemption certificate by email within 72 hours of receiving the application.
- c. To receive Sales Tax Exemption Certificates, Form A must be completed prior to purchase of materials.
- d. Form A is available on Urbana's website at: <http://urbanaillinois.us/EZ>

5. Complete supplemental Property Tax Abatement Forms (Form B)

- a. **Each** property owning entity must fill out their own Form B.
- b. The property owner will be contacted directly by staff if the application for abatement is approved. Property Tax Abatements typically appear on the tax bill that is issued two calendar years after the completion of the project.
- c. To receive Abatements, Form B must be completed **within 90 days** date of issue of building permit.
- d. Form B is available on Urbana's website at: <http://urbanaillinois.us/EZ>

6. Sign Abatement Agreement

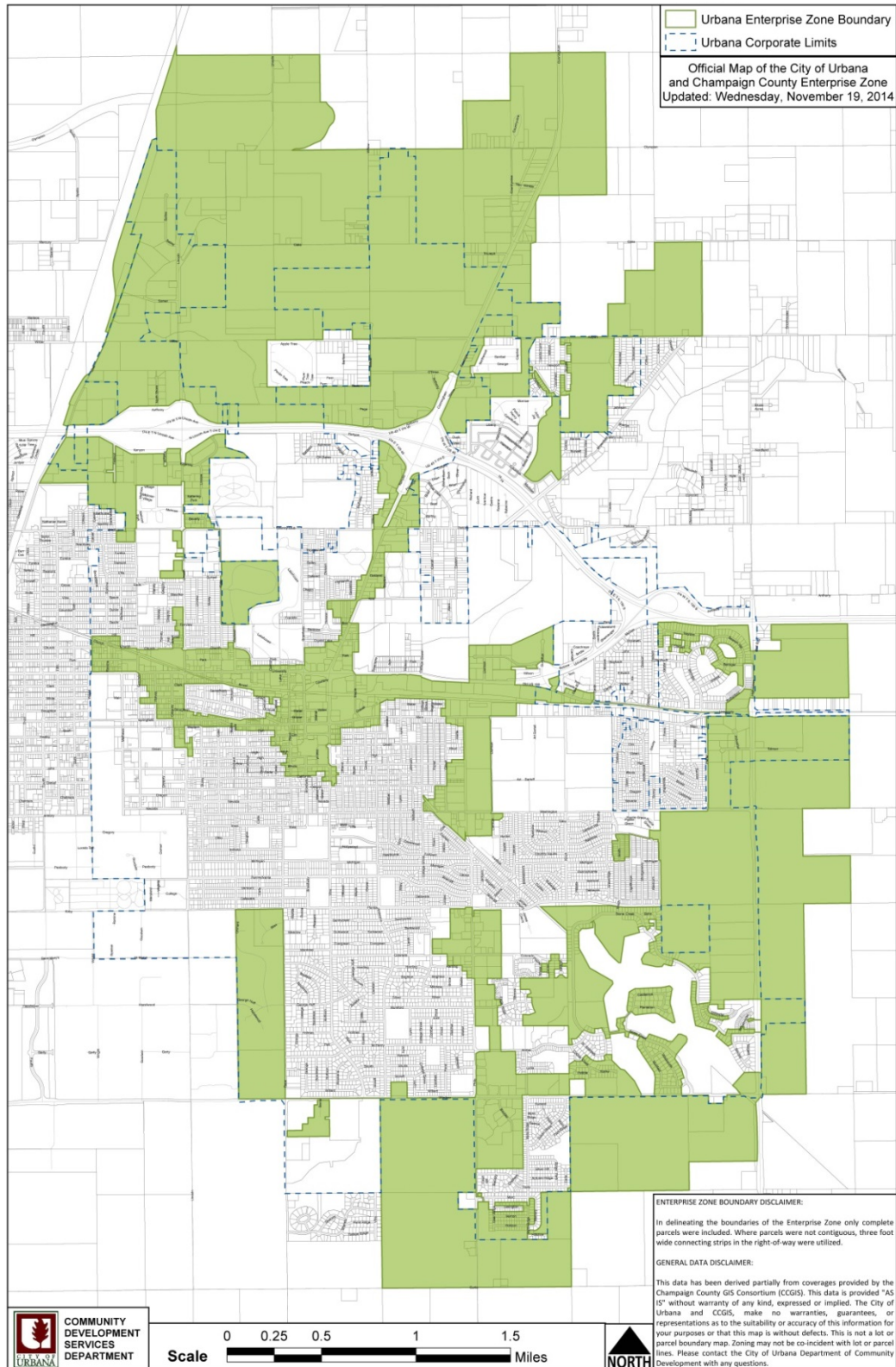
- a. Abatement Agreements can be obtained at the Community Development offices located at 400 S Vine Street.
- b. To receive Abatements, Agreement must be signed **within 90 days** date of issue of building permit.

7. Submit all required fees (see attached Fee Document)

- a. The City accepts cash or checks at the Community Development offices located at 400 S Vine Street.
- b. To receive Abatements, fees must be paid within 90 days of the building permit date of issue.
- c. To receive Sales Tax Exemption Certificates, fees must be paid prior to purchase of materials.



Urbana Enterprise Zone Map – Interactive map available at urbanaininois.us/ez





Urbana Enterprise Zone City of Urbana Fees

The City of Urbana will collect Enterprise Zone fees from the property owning entity for administration of the Zone. Fees for Property Tax Abatements must be submitted within 90 days of receiving a building permit. The City will administer Sales Tax Exemption Certificates after submittal of Sales Tax Exemption Certificate Fees. The following fees apply to projects located within the City of Urbana corporate boundaries. Projects located outside the City of Urbana corporate boundaries may be subject to these fees if they require a City building permit, must conform to City code, and/or are the subject of an annexation agreement with the City of Urbana.

Service	Fee*
Sales Tax Exemption Certificate	0.5% of total eligible construction material costs, not to exceed \$50,000. Free if materials cost is less than \$5,000
Property Tax Abatement	5 year abatement: \$260
	6 year abatement: \$624
	7 year abatement: \$728
Enterprise Zone Boundary Amendment	Requests to approve a Boundary Amendment must be approved by City staff prior to fee assessment. 0.5% of estimated total construction material costs, not to exceed \$1,500.

*A single project's combined enterprise zone fees may not exceed \$50,000 per state statute.

Examples of Sales Tax Exemption Fees At Given Building Materials Cost Levels

Fees are calculated at 0.5% of total eligible building material costs for the project. Building materials that are eligible for the sales tax deduction include items that are permanently affixed to real property such as lumber, mortar, glued-down carpets, paint, wallpaper, and similar affixed items.

Construction Materials Cost of the Project	City of Urbana Enterprise Zone Fee
< \$5,000	Free
\$5,000	\$25
\$10,000	\$50
\$100,000	\$500
\$1 million	\$5,000
\$5 million	\$25,000
\$10 million	\$50,000
> \$10 million	\$50,000