

BENEFIT:

The Texas Enterprise Zone Program is an economic development tool for local communities to partner with the State of Texas to promote job creation and significant private investment that will assist economically distressed areas of the state. Approved projects are eligible to apply for state sales and use tax refunds on qualified expenditures. The level and amount of refund is related to the capital investment and jobs created at the qualified business site.

LEVEL OF CAPITAL INVESTMENT	MAXIMUM NUMBER OF JOBS ALLOCATED	MAXIMUM POTENTIAL REFUND	MAXIMUM REFUND PER JOB ALLOCATION
\$40,000 – \$399,999	10	\$25,000	\$2,500
\$400,000 – \$999,999	25	\$62,000	\$2,500
\$1,000,000 – \$4,999,999	125	\$312,500	\$2,500
\$5,000,000 – \$149,999,999	500	\$1,250,000	\$2,500
Double Jumbo Project \$150,000,000 – \$249,999,999	500	\$2,500,000	\$5,000
Triple Jumbo Project \$250,000,000 or more	500	\$3,750,000	\$7,500

ELIGIBILITY:

A local community must nominate a company as an Enterprise Project to be eligible to participate in the Enterprise Zone Program. Texas law limits the number of allocations that may be awarded to local communities per biennium.

In order to qualify a project for the Enterprise Zone Program, local communities must offer incentives to the project such as tax abatement, tax increment financing, and one-stop permitting.

Communities may nominate projects, for a designation period up to five years, non-inclusive of a 90-day window prior to the application deadline. Employment and capital investment commitments must be incurred and met within this timeframe.

Projects may be physically located in or outside of an Enterprise Zone.

- If located within a zone, the company commits that at least 25 percent of their new employees will meet economically disadvantaged or enterprise zone residence requirements.
- If located outside of a zone, the company commits that at least 35 percent of their new employees will meet economically disadvantaged or enterprise zone residency requirements.

Under limited statutory provisions, an enterprise project designation may be granted for job retention.

APPLY:

The application must be filled out in part by the city and in part by the business. The city will submit the application on behalf of the business.

The state accepts applications quarterly with deadlines on the first working day of March, June, September and December.

TEXAS ENTERPRISE ZONE PROGRAM

The [Enterprise Zone Program \(EZP\)](#) is an economic development tool for local communities to partner with the State of Texas to promote job creation and significant private investment that will assist economically distressed areas of the state. Approved projects are eligible to apply for state sales and use tax refunds on qualified expenditures.

PERFORMANCE-BASED INCENTIVE

The EZP is performance-based and allows qualified businesses to receive a refund of state sales and use taxes. The level and amount of the refund is related to the capital investment and jobs at the qualified business site.

Level of Capital Investment	Maximum Number of Jobs Allocated	Maximum Potential Refund	Maximum Refund Per Job Allocation
\$40,000 – \$399,999	10	\$25,000	\$2,500
\$400,000 – \$999,999	25	\$62,000	\$2,500
\$1,000,000 – \$4,999,999	125	\$312,500	\$2,500
\$5,000,000 – \$149,999,999	500	\$1,250,000	\$2,500
Double Jumbo Project \$150,000,000 – 249,999,999	500	\$2,500,000	\$5,000
Triple Jumbo Project* \$250,000,000 or more	500	\$3,750,000	\$7,500

*Must Employ 500 or more to be eligible.

Program Name	Jobs	Capital Investment	Funded Projects
<i>Texas Enterprise Zone</i>	332,175 (new & retained)	\$58.0 Billion	872

Totals as of Dec. 31, 2012, Capital Investment numbers are rounded.

TEXAS ENTERPRISE ZONE ECONOMIC DEVELOPMENT INCENTIVES

Since its inception in 1988, the Texas Enterprise Zone Program has been one of the most widely used and successful incentive programs of the state in assisting with both job creation and retention efforts.

PROGRAM REQUIREMENTS

- ★ A local community must nominate a company as an Enterprise Project to be eligible for EZP.
- ★ Communities must have local incentives to offer the project for EZP qualification. Typical local incentives include tax abatement, tax increment financing, and one stop permitting.
- ★ Communities may nominate projects for a designation period up to five years. Employment and capital investment commitments must be made and implemented within this timeframe.
- ★ Projects may be physically located inside or outside an Enterprise Zone.
 - ★ If located within a zone, the company commits that at least 25 percent of their new employees will meet economically disadvantaged or enterprise zone residence requirements.
 - ★ If located outside of a zone, the company commits that at least 35 percent of their new employees will meet economically disadvantaged or enterprise zone residency requirements.
- ★ Projects must meet or exceed county weekly wage averages to be eligible.

For more information visit TexasWideOpenForBusiness.com

