



Job Growth Incentive Tax Credit

Purpose

JGITC is a performance-based job creation incentive program – businesses must create and maintain permanent net new jobs for one year before receiving credit. More generally, the Colorado Office of Economic Development and International Trade (OEDIT) supports recruitment, retention and economic growth throughout the state, offering a variety of financial resources including financing programs, incentives, grants and tax credits.

Program Description

- The Job Growth Incentive Tax Credit (JGITC) provides a state income tax credit equal to 50% of FICA paid by the business on the net job growth for each calendar year in the credit period.
- A business must undertake a job creation project for which Colorado is competing with at least one other state for the project.
- The JGITC credit must be a major factor in the business decision to locate or retain the project in Colorado. The project must meet certain requirements under the Colorado Economic Development Commission's (EDC) Job Growth Incentive Tax Credit Program.
- A business may not start or announce the proposed project in Colorado (including locating or expanding in the state, hiring employees related to this project or making material expenditures for this project) until a final application has been submitted to the EDC and approved.

Requirements/Eligibility Rules

- The incentive request must be approved by the EDC.
- Businesses have to create at least 20 net new jobs (full-time equivalents) in Colorado during the credit period with an average yearly wage of at least 100% of the county average wage rate based on where the business is located when compared to the county average wage rate.
- A business located in an Enhanced Rural Enterprise Zone has to create at least 5 net new jobs (full-time equivalents) in Colorado during the credit period with an average yearly wage of at least 100% of the county average wage based on where the business is located.
- The credit period is 96 consecutive months where the business may claim an annual tax credit.
- All net new jobs must be maintained for at least one year after the positions are hired.
- Businesses already receiving an incentive from the EDC's Strategic Fund may not receive an incentive from the EDC's JGITC Program for the same net new full-time permanent jobs.

Other Program Elements

If the issued tax credits exceed the taxpayer's income tax for the income tax year in which the credit is being claimed, the amount of the unused tax credit shall not be allowed as a refund, but may be carried forward and applied in each of the 10 succeeding income tax years (must be applied to the earliest tax return possible). Colorado Revised Statutes: 39-22-531.

Application Process

Business interested in requesting a JGITC commitment should work with their local economic development representative and contact OEDIT Global Business Development Staff to preliminarily determine if the business meets the requirements. (303-892-3840 or michelle.hadwiger@state.co.us)

The fact that an application meets all of the program's general policy guidelines does not mean that the project will necessarily be approved. The Colorado Economic Development Commission reserves the right to approve, deny or vary from these guidelines as necessary and appropriate and delay any decision due to budgetary constraints.

If it takes longer for the business to create the net new jobs than originally projected, the Conditional Approval document will stay in effect for the remaining years in the credit period. Businesses will not be able to go back retroactively to request tax credits but can request tax credits for the remaining years once the minimum requirements have been met.

Learn more at www.advancecolorado.com/incentives



Purpose

The Strategic Fund is a cash incentive program; businesses must create and maintain permanent net new jobs for one year before receiving an incentive. More generally, the Colorado Office of Economic Development and International Trade (OEDIT) supports recruitment, retention and economic growth throughout the state, offering a variety of financial resources including financing programs, incentives, grants and tax credits.

Program Description

- The Strategic Fund provides a cash incentive commitment to businesses that have met certain requirements under the Economic Development Commission’s (EDC) Strategic Fund.
- Business decisions clearly moving forward without assistance from the EDC will not be considered for funding if an announcement is made prior to an introduction to the EDC.
- A business must undertake a job creation project for which Colorado is competing with at least one other state for the project, and where the project would not occur in Colorado without this program.

Requirements/Eligibility Rules

- A business may receive funding consideration if it proposes to create net new full-time permanent jobs in Colorado that are maintained for at least one year.
- In addition, companies must materially meet the circumstances noted below:
 - Strong level of local matching commitments (\$1:\$1)
 - Potential for significant economic “spinoff” benefits such as: high prestige companies, large expansion initiative, attracting suppliers, generating tourism/travel activity
 - Headquarters in Colorado
 - Significant capital investment (i.e. at least \$100,000 per employee)
 - Responds to a special local economic event, such as replacing recent layoffs
 - Inter-state competitive factors
 - Other unique conditions

Other Program Elements

The following tables reflect potential incentive levels per eligible job based on the annual average wage rate for the net new full-time permanent jobs compared to the county average wage rate.

Non-Enterprise Zone	
Annual Average Wage Rate %	\$ Incentive / Eligible Job
110%	\$2,500
130%	\$3,500
150% or >	\$5,000

Enterprise Zone	
Annual Average Wage Rate %	\$ Incentive / Eligible Job
100%	\$2,000
110%	\$3,000
120%	\$4,000
130% or >	\$5,000

Additional consideration may be given to businesses that do not meet the EDC’s minimum 100% annual average wage rate requirement if the following criteria are met:

- The business is located in a designated Enhanced Rural Enterprise Zone;
- The local community provides rationale to the EDC outlining the businesses’ economic importance; and
- The local community requests consideration for use of an alternative wage rate source and provides documentation that supports that the businesses’ annual average wage rate is higher than the annual average wage rate paid by private employer’s within their jurisdiction.

Application Process

Businesses interested in requesting a Strategic Fund job creation incentive should work with their local economic development representative and contact OEDIT’s Global Business Development Staff (303-892-3840 or michelle.hadwiger@state.co.us)

The EDC reserves the right to approve, deny or vary from these guidelines as necessary and appropriate, and delay any decision due to budgetary constraints.

Learn more at www.advancecolorado.com/strategic-fund.

Colorado FIRST / Existing Industry Customized Job Training

Purpose

Colorado's job training programs invest in its labor force and incentivize business growth in Colorado by providing grants to companies that are locating or expanding in Colorado. By paying costs associated with job training, the programs increase transferable job skills that support both the company's competitiveness and enhance worker's resumes and long-term employment opportunities.

Program Description

- The Customized Job Training program provides a maximum annual grant award of \$800 per employee.
- Funding for FY 2013 was \$2.7 million. Funding for FY 2014 is \$4.2 million.
- The **Colorado FIRST** training program focuses on companies relocating to or expanding in Colorado and provides funds only to net new hires.
- The **Existing Industry** training program focuses on providing assistance to established Colorado companies in order to remain competitive within their industry, adapt to new technology and prevent layoffs.
- The training programs are a partnership between the Colorado Office of Economic Development and International Trade (OEDIT) and the Colorado Community College System (CCCS), and are managed through the local community colleges.

Requirements/Eligibility Rules

- Companies must contribute a minimum of 40% to the total costs of grant-funded training.
- All grant-funded training must be customized for the company's specific needs.
- An on-site company visit by OEDIT and CCCS representatives is required.
- Companies must pay an average hourly wage greater than \$11.96/hour in urban areas; in rural Colorado, a company's average wages must be at least \$9.79/hour.
- Federal or state mandated training (e.g. Occupational Safety and Health Administration – OSHA / Commercial Driver's License - CDL) is not eligible for grant funding.
- Grant funded training must be for permanent, full-time, non-seasonal, non-retail employees eligible to work in the US which have significant career opportunities and require substantive instruction.
- Applications are reviewed on a **competitive** basis. Factors considered are: Customized job enhancing skills / Number of trainees / Community College training participation / State geographic representation / Industry diversification / projected wage levels.
 - Competitive training skills include: Lean manufacturing / Information technology such as SQL, HTML, JQuery, etc. / Advanced financial analysis / Quality management / Welding / 6 Sigma / Bioscience.
 - Non-competitive trainings skills include: New employee orientation / MS Office / Basic customer service / Time management.

Other Program Elements

- Trainees must sign an affidavit to certify their participation in grant funded training.
- Grant funded training may not begin until the training proposal has been approved by the state administrators.
- Training must be completed by May 31st and final reports must be received by June 30th.
- The program fiscal year is the same as the state's, which runs July 1st through June 30th.

Application Process

- The **Colorado FIRST** deadline for annual applications is generally the first week in August.
- The **Existing Industry** deadline for annual applications is generally the third week in August.
- If program funds remain available, a second application round may occur.
- To apply for a job-training grant, please contact your local Community College Grant Representative. Visit: <http://www.cccs.edu/findcollege.html> to find the nearest one.
- If your company is planning to expand or relocate to Colorado, please contact OEDIT at **303-892-3840**.

Learn more at www.advancecolorado.com/jobtraining.



Purpose

The Colorado Enterprise Zone (EZ) Program was created by the Colorado Legislature (C.R.S. Title 39, Article 30) to promote a business friendly environment in economically distressed areas by offering state income tax credits that incentivize businesses to locate and develop in - and non-profit organizations to assist with the needs of - these communities.

Program Description

Taxpayers investing in Enterprise Zones can earn a credit on their Colorado income tax by planning and executing specific economic development activities.

Certain credit amounts and carry-forward periods have changed for tax years commencing January 1, 2014. Among the changes: business in the EZ need not meet the New Business Facility qualifications for the New Jobs credits and the Job Training credit is increased.

The following incentives can be earned by businesses located in Enterprise Zones for tax years beginning 1/1/2014 and after. Please see CO Department of Revenue pages for previous credit amounts.

BUSINESS INCOME TAX CREDITS	CREDIT AMOUNT	FYI
Investment Tax Credit (ITC)	3% of equipment purchases	FYI Income 11
Commercial Vehicle Investment Tax Credit (CVITC)	1.5% of commercial vehicle purchases	
Job Training Tax Credit	12% of qualified training expenses	FYI Income 31
Business Facility – New Jobs Credit	\$1,100 per new job	FYI is not yet available
- New Agricultural Processing Jobs	\$ 500 per new job	
- Health Insurance Credit	\$1,000 per covered employee	
R&D Increase Tax Credit	3% of increased R&D expenditures	FYI Income 22
Vacant Building Rehabilitation Tax Credit	25% of rehab expenditures (hard costs)	FYI Income 24

FYIs are Department of Revenue publications explaining the tax credits.

ADDITIONAL EZ INCENTIVES	INCENTIVE AMOUNT	FYI
Manufacturing/Mining Sales and Use Tax Exemption	Expanded S&U tax exemption in EZ	FYI Sales 10 & 69
Contribution Tax Credit	25% cash / 12.5% in-kind on contributions to EZ projects	FYI Income 23

Additionally, municipalities, counties and special districts may have increased flexibility pertaining to local incentives per CRS 39-30-107.5 if located in an EZ.

Certain rural counties that meet additional distress criteria are designated as being **Enhanced Rural Enterprise Zones (EREZ)** per CRS 39-30-103.2. Businesses located in a designated EREZ county can earn an increased credit amount for the Business Facility New Jobs Credit (an additional \$2,000 per job) and the Agricultural Processing Jobs Credit (an additional \$500 per new job). See www.advancecolorado.com/erez for more information and a list of designated counties.

Requirements/Eligibility Rules

Areas with high unemployment rates (25% above state average), low per capita income (25% below state average), and/or slower population growth (less than 25% of state average in rural areas) may be approved for EZ designation by the Economic Development Commission.

Application Process

Each income tax year, a business located in an EZ must file and be Pre-certified prior to beginning an activity to earn any of the business tax credits listed in the first table. At the end of the income tax year, a business must Certify that the activities were performed. Pre-certification and Certification are applied for online.

Contribution Tax Credits earned by taxpayers making donations to eligible EZ Contribution Projects certify those donations with the project organization or Local Enterprise Zone Administrator. A list of qualified projects is available online.

The Commercial Vehicle Investment Tax Credit has a unique application process. Download the CVITC Application online.

Applications and Additional Information: www.advancecolorado.com/ez



Purpose

The Colorado Enterprise Zone (EZ) Program was created by the Colorado Legislature (C.R.S. Title 39, Article 30) to promote a business friendly environment in economically distressed areas by offering state income tax credits that incentivize businesses to locate and develop and non-profit organizations to assist with the needs of these communities.

The Enhanced Rural Enterprise Zone (EREZ) program provides greater financial incentives to businesses to promote and encourage new job creation in designated economically lagging rural Enterprise Zone counties (C.R.S. 39-30-103.2 and 105.1).

Program Description

Business located in an EREZ may qualify for the following state income tax credits. The credits are in addition to those granted to businesses in the standard Enterprise Zone. Businesses are no longer required to qualify as a New Business Facility, and the credit amounts have been increased for the tax year commencing 1/1/2014.

BUSINESS INCOME TAX CREDITS EREZ Business Facility Credits	CREDIT AMOUNT	FYI
EREZ– New Jobs Credit	\$2,000 per new job	Reference FYI Income 10 for the NBF Credits.
EREZ – New Ag. Processing Jobs Credit	\$500 per new job	An updated FYI is not yet available

Requirements/Eligibility Rules

EREZ's are counties in an Enterprise Zone that meet two of the following five criteria:

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

The following counties are designated Enhanced Rural Enterprise Zones (2013-2014):

Archuleta	Crowley	Jackson	Mineral	Saguache
Baca	Custer	Kiowa	Otero	San Juan
Bent	Delta	Lake	Ouray	Sedgwick
Cheyenne	Dolores	Las Animas	Phillips	Washington
Conejos	Hinsdale	Lincoln	Prowers	
Costilla	Huerfano	Logan	Rio Grande	

The state promulgates a revised list of eligible counties every two years. When a county is removed from the EREZ list, taxpayers who have previously committed to future job creation plans in such county may file a certification for an extension of up to five additional years to continue claiming EREZ credits based on additional job creation.

Application Process

Each income tax year, a business located in an EZ must file and be Pre-certified prior to beginning an activity to earn any of the business tax credits listed. At the end of the income tax year, a business must Certify that the activities were performed. Pre-certification and Certification are applied for online.

Applications and Additional Information: www.advancecolorado.com/ez