



**Peoria Urban Enterprise Zone (PUEZ)
2017 Application for Sales Tax Exemption on Building Materials and
Property Tax Abatement**

This application is for the purpose of applying to the Illinois Department of Revenue (IDOR) for a Certificate of Eligibility for Sales Tax Exemption and Property Tax Abatement.

New for 2017:

Per IL State Statute, project owners are required to submit a PUEZ Project Close Out Report to the City of Peoria no later than 60 days after a project is completed. The Project Close Out Report is included in the PUEZ application. Failure to submit the PUEZ Project Close Out Report will result in ineligibility of future participation in the PUEZ program and benefits.

PUEZ Applications and Project Close Out Reports should be mailed, e-mailed or hand delivered to:

Leslie L. McKnight, PhD
City Hall, 419 Fulton, Suite 207
Peoria, IL 61602
EnterpriseZone@peoriagov.org
Phone (309) 494-8651

Peoria Urban Enterprise Zone (PUEZ)

PROJECT INFORMATION FORM

STEP 1 - PROJECT OWNERS, please fill out each section on **PAGES 1-2**, as instructed.

STEP 2 - CONTRACTORS and **SUBCONTRACTORS**, will need to fill out **SECTION 7** on **PAGE 3**

STEP 3 - When completed, mail, email, or hand deliver all forms, pages and attachments to:

Mail: City of Peoria, Leslie L. McKnight, PhD, 419 Fulton St., Peoria, IL 61602

Email: EnterpriseZone@peoriagov.org

SECTION 1: This section is to obtain information about project owner. It is typically filled out by the general contractor, property owner or business owner of a development project. This section needs to be completed only once per project.

Legal Business Name: _____

Owner Name: _____ Phone Number: _____

Mailing Address: _____ City: _____ State: _____ ZIP: _____

Email: _____

Federal Employer Identification Number (FEIN): _____

Unemployment Insurance Number (UIN): _____

SECTION 2: This section is to obtain information about the project.

Project Name: _____

Project Address: _____ City: _____ State: _____ ZIP: _____

Building Permit Number: _____ Building Permit Issue Date: _____

Parcel ID #: _____

Full Time Equivalent (FTEs) at project start or initiation _____

FTE jobs are calculated by dividing the total hours worked by persons at the business location in the last complete calendar year by 1820 hours. Include all hours worked at the business location by all salaried and hourly employees.

Project Description: _____

SECTION 3: This section is to obtain estimates about cost, timelines and FTEs regarding the project.

Estimated project completion date: _____

Estimated building materials costs: _____

Estimated labor costs: _____

Estimated FTEs at project conclusion: _____

SECTION 4: Enterprise Zone Fee - The Illinois General Assembly (20 ILCS 655/8.2.c.) has allowed for enterprise zones to charge an administrative fee of no more than 0.5% of the cost of building materials of the project associated with the specific Enterprise Zone, with a maximum fee of no more than \$50,000. Contractors/Project Owners will not receive exemption certificates or property tax abatements until the Enterprise Zone fee is paid.

Estimated Cost of Building Materials \$ _____ x .005 = _____.

Maximum fee = \$50,000. Please attach payment with this application

SECTION 5: Attachments - Attach the following documents to this application:

- A copy of the building permit issued for the project
- Enterprise Zone fee payment

SECTION 6: Certification -

I, _____ (*owner of property*), do solemnly affirm that to the best of my knowledge, the above information is correct and this application complies in all respects with the designating ordinances of the Peoria Urban Enterprise Zone as adopted by one of its designating local governments (*Chillicothe, Peoria County, Princeville, Elmwood, or Hanna City*) where the project is located.

I further affirm that I have read and understand the attached PEUZ Sales Tax Exemption Incentives and Requirements and Peoria Urban Enterprise Zone Property Tax Abatement Incentive and Requirements, and that given such requirements, I wish to explicitly apply for the following local incentives (check with an 'X' all that apply).¹ All other enterprise zone incentives will also be available to the property owner, as applicable.

_____ Sales Tax Exemption on Building Materials
(if marked, fill out page 3/Section 7)

_____ Property Tax Abatement

I furthermore affirm and agree to provide information on investments, certified payroll (if applicable), and jobs created or retained as from time to time may be required for closing out of the project.

Subscribed and sworn to before me this _____ day
of _____, _____.

(Print Name)

(Signature of Owner)

Notary Seal

Notary Public

¹ Some project owners may opt to decline incentives to avoid requirements that are tied to such incentives. For example, a project owner may not want to pay prevailing wages on his project that is budgeted over \$50,000 (the prevailing wage threshold). He thus forgoes receiving the sales tax exemption incentive through the enterprise zone, but will still receive the property tax abatement.

SECTION 7: Each contractor or subcontractor purchasing materials needs to fill out Section 7.
You therefore may need to make copies for each contractor or subcontractor.

Project Name: _____

Project Address: _____ City: _____ State: _____ ZIP: _____

Contractor or Subcontractor Name: _____

Contact Person _____ Phone: _____

Address: _____

Email _____ FEIN #: _____

Total Contract Amount on Project: _____

Contract amount that consists of building materials qualified for exemption \$ _____

Percentage of total contract amount that consists of building materials qualified for exemption: _____%

Applicant's Expected Completion Date: _____

It is the responsibility of the contractor to ensure that all materials qualify under Illinois Department of Revenue requirements.

By signing the certification form, I certify that all work on this project will be done in compliance with the State of Illinois Prevailing Wage Act (if applicable).

Upon request and in order to receive Enterprise Zone benefits, I will provide the Zone Administrator proof of certified payroll (if applicable) to meet the requirements of the Peoria Urban Enterprise Zone.

Signature: _____

Date: _____

Print Name: _____

Title: _____

**Peoria Urban Enterprise Zone
Sales Tax Exemption Incentive and Requirements**

Each retailer who makes a qualified sale of building materials to be incorporated into real estate in the Peoria Urban Enterprise Zone for the purpose of remodeling, rehabilitation or new construction, may deduct receipts from such sales when calculating the tax imposed by the State of Illinois under and pursuant to Retailers' Occupation Tax Act (35 ILCS 120/5k), subject to all of the following conditions being met:

- i. The County or Municipality has issued a building or other permit required by any of the applicable codes or ordinances of the County or Municipality;
- ii. The project or property owner seeking an incentive does not owe any fines, fees or overdue taxes;
- iii. The State of Illinois has issued a certificate of approval, to the start of construction, a copy of which is required to be provided to the applicable retailer at the time of sale and maintained by such retailer in its books and records for the purposes of documenting any such deduction;
- iv. The exemption allowed hereby shall be limited to and shall only apply to any remodeling, rehabilitation or new construction of any commercial, industrial, or manufacturing building or structure within the zone where the total amount of the project, as per the building or zoning permit, exceeds \$5,000;
 1. **If the total amount of any commercial, industrial or manufacturing project as per the building or zoning permit exceeds \$50,000 it must be constructed using prevailing wage rates** or show proof that a project labor agreement has been entered into in order to qualify for the Enterprise Zone sales tax exemptions; however, if a property owner does not apply for or seek any sales tax exemption incentives through the Enterprise Zone, that property owner is not required to pay the prevailing wage rates required herein;
 2. A project owner, developer, contractor or subcontractor seeking Enterprise Zone incentives shall sign a prevailing wage agreement and submit certified payroll documentation to the Zone Administrator, or other requested documentation, as proof that prevailing wage requirements pursuant to this Agreement are being followed;
 3. If the Designating Local Governments, Zone Administrator or Zone Management Organization discover that a project owner, developer, contractor or subcontractor has not followed prevailing wage requirements pursuant to this Agreement, the project owner, developer, contractor or subcontractor shall be liable for the difference between what was paid to workers and the prevailing wage for all hours worked, as well as, owe the Zone Management Organization a 20% penalty of the underpayment. In addition the worker(s) is owed 2% of the amount of any such penalty for each month during which underpayments remain unpaid. For a second or subsequent violation the 20% penalty is increased to 50% and the 2% penalty is increased to 5%.
- v. The exemption allowed hereby shall also be limited to and shall only apply to any remodeling, rehabilitation or new construction of any owner-occupied residential building or structure within the zone where the total amount of the residential project, as per the building or zoning permit, exceeds \$5,000.
 1. An owner-occupied residential building or structure shall be defined as a structure capable of housing two or less family units.

**Peoria Urban Enterprise Zone
Property Tax Abatement Incentive and Requirements**

The property owner affirms that this application for property tax abatement meets the conditions set forth in designating ordinances of the Peoria Urban Enterprise Zone (listed below):

1. The County or Municipality has issued a building or other permit required by any of the applicable codes or ordinances of the County or Municipality.
1. The project or property owner seeking an incentive does not owe any fines, fees or overdue taxes;
2. The project has been certified by the zone administrator or State of Illinois.
3. Abatement of taxes on any parcel shall not exceed the amount attributable to the construction of the improvements and the renovation or rehabilitation of the existing improvements on such parcel.
4. Such abatement shall be allowed only for commercial, industrial or manufacturing property located within the Zone Area.
5. Such abatement shall be for five years at the rate of 100% for the first three years and at the rate of 50% for years four and five, commencing the first year after any improvements have been assessed.
6. As part of the application process for certification of a project, the project owner or owner of the property where a property tax abatement would occur shall agree to not pursue a reduction in assessed value of the property for a minimum of five (5) years following the expiration of the property tax abatement period.
7. The abatement shall apply only to improvements commenced within the Enterprise Zone after designation of the Enterprise Zone by the Designating Local Governments and certification by the State.
8. Any abatement which commences prior to the expiration of the Enterprise Zone shall not continue beyond the expiration of the Enterprise Zone.
9. Any abatement shall also apply within territory lawfully added to the Enterprise Zone subsequent to its certification by the State and shall also apply to any lawfully authorized term extension of the Enterprise Zone.
10. The following provision will apply to all projects involving demolition and new construction:
Any project which involves new construction on a site which previously was occupied by a building(s) will receive the real estate tax abatement on a "net new" basis. That is, the increased assessment amount to be abated will be based on the most recent assessment of the property which included the valuation of the property which included the valuation of the land and original building(s).
11. In the case of property within a redevelopment area created pursuant to the Real Property Tax Increment Allocation Redevelopment Act no abatement shall be granted.

Property tax abatement applies only to the **increase** in assessed value attributable to the new construction, renovation, or rehabilitation. Participating taxing districts in the Enterprise Zone Abatement Program include: *City of Peoria, County of Peoria, Village of Peoria Heights, City of West Peoria, Village of Bartonville, Village of Mapleton, and Village of Bellevue*. Property taxes based on the assessed value of land and existing improvements continue to be extended and collected.

Peoria Urban Enterprise Zone (PUEZ)

Project Close-Out Form

STEP 1 - PROJECT OWNERS, please fill out the information below on your Project.

STEP 2 - When completed, mail, email, or hand deliver all forms to:

Mail: City of Peoria, Leslie L. McKnight, PhD, 419 Fulton St., Peoria, IL 61602

Email: EnterpriseZone@peoriagov.org

SECTION 1: This section is to obtain information about project owner. It is typically filled out by the general contractor, property owner or business owner of a development project. This section needs to be completed only once per project.

Legal Business Name: _____

Owner Name: _____ Phone Number: _____

Mailing Address: _____ City: _____ State: _____ ZIP: _____

Email: _____

SECTION 2: This section is to obtain information about the project.

Project Name: _____

Project Address: _____ City: _____ State: _____ ZIP: _____

SECTION 3: Project Actuals - This section is to obtain actual data on cost, timelines and FTEs.

Actual project completion date: _____

Actual building materials costs: _____ \$

Actual labor costs: _____ \$

Actual Full Time Equivalent (FTEs) at project conclusion: _____

FTE jobs are calculated by dividing the total hours worked by persons at the business location in the last complete calendar year by 1820 hours. Include all hours worked at the business location by all salaried and hourly employees.

SECTION 4: Project Estimates - The following information was provided when you first applied for the Enterprise Zone sales tax exemption on building materials. It is here for informational purposes only.

Estimated project completion date: _____

Estimated building materials costs: _____ \$

Estimated labor costs: _____ \$

Estimated Full Time Equivalent (FTEs) at project conclusion: _____