

Western Maricopa Enterprise Zone (WMEZ)

The Arizona Department of Commerce established an enterprise zone program to improve the economies of defined areas within the State of Arizona with high poverty or unemployment rates. The Enterprise Zone program provides enhanced opportunities for private investment within the defined zone district designated by the Department of Commerce for a period of up to 5 years. New job tax credits and property tax benefits for manufacturers are offered to provide incentives to companies that create jobs and do business within the enterprise zone.

New Job Income/Premium Tax Credits

Arizona statutes provide for an income and premium tax credits that may total up to \$3,000 per new job position over a period of 3 years, with a maximum of 200 employees in any given tax year.

Company Eligibility

Any company located within the designated enterprise zone with less than 10% retail sales is eligible. The 10% retail activity is restricted to 3 designated categories: 1) Food and beverage for consumption on the premises solely by employees and occasional guests, 2) promotional products displaying the company logo or trademark, and 3) products sold to company employees.

Qualifying Companies:

- Create new jobs that are full-time and permanent (1,750 hours per week)
- Pay an hourly wage above the wage offered by the county
- Pay at least 50% of health insurance costs for the employees
- Have employees that work at least 90 days in the first tax year and
- Have 35% of their new employees (on whom the credit is taken) living within the same enterprise zone in the same county as the business on the date of hire.

Manufacturer Property Tax Benefits

Property reclassification is available within the zone for manufacturer or commercial printing businesses to become eligible for an assessment ratio of 5% on all personal and real property (for primary tax purposes only) for a period of 5 years.

Company Eligibility

Qualified manufacturing and commercial printing companies doing business within the zone, and are:

- Minority-owned, woman-owned and small businesses (fewer than 100 employees or gross annual sales of \$4 million or less), and
- Independently-owned and operated (under general circumstances, 50% of the company cannot be owned by different businesses or it becomes ineligible), and
- Make an investment of fixed assets (depending on location) of \$500,000, \$1,000,000 or \$2,000,000. The investment can be aggregated from 1/1/2001 as long as the zone was in place during that time.

For further detailed information, contact the Arizona Department of Commerce Zone Administrator (602) 771-1100 or their website – www.azcommerce.com.