

## Enterprise Zone Program Incentive Guidelines

The purpose of the Enterprise Zone Program Application is to:

- Attract ***New Jobs***;
- ***Increase Tax Revenue*** and diversify the tax base through accelerated industrial and commercial development;
- ***Increase Prosperity*** by increasing incomes and spending in the County; and
- ***Enhance the Quality of Life*** by making more revenue available for public and community services.

Under the Enterprise Zone Program, the State of Illinois would make increased State incentives available to attract investment, development and job creation. In return, the State strongly encourages the adoption of uniform local incentive to work in collaboration to leverage new investment, jobs and tax revenue.

Existing local incentive programs that DeKalb County communities have used to attract new development are tax abatements. By law, tax abatement only applies to new construction or physical expansion. Under tax abatement, in order to attract new development, portions of the new tax revenue associated with a new project are abated.

Realization of new revenue leveraged by the program is delayed according to the formula in order to attract the project. No (current) revenue is given back. In fact, new revenue is realized by the taxing bodies in Year 1 and increases rapidly thereafter. Again, tax abatements only apply to new valuation. If the new development were not attracted using the incentive, the value of the underlying farmland or vacant land would stay the same.

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