

Ohio Enterprise Zone Program - Mahoning County

Overview

The Ohio Enterprise Zone Program (OEZP) provides local and state tax incentives for businesses that expand or locate in designated areas of Ohio.

In Mahoning County, Enterprise Zones have been established in:

- The cities of Youngstown, Campbell, and Struthers,
- The villages of Lowellville and Sebring, and
- The townships of Austintown, Coitsville and Jackson.

Benefits

Substantial tax reductions on new real property investment.
Additional franchise or state income tax benefits may be available.

Eligibility

Businesses must finalize an Enterprise Zone Agreement prior to project initiation, agree to retain or create employment and establish, expand, renovate, or occupy a facility in an Enterprise Zone.

Mahoning County requires a substantial investment of at least \$500,000.

Additional eligibility requirements are stipulated by the State of Ohio.

ADDITIONAL INFORMATION ON BACK. →

Rate/Terms

Application for Enterprise Zone program must be made before the project begins.

Up to 75 percent exemption in the city of Youngstown (in excess of 75 percent requires school board approval), and

Up to 60 percent in other communities (in excess of 60 percent requires school board approval).

The maximum abatement term is 10 years (in excess of 10 years requires school board approval).

The maximum allowable abatement for each project is determined by a scoring system involving total investment, job creation, average salary and other criteria established by Mahoning County.

There is no tax on tangible personal property in Ohio for all machinery and equipment; furniture, fixtures and equipment; and inventory.

ADDITIONAL INFORMATION ON BACK. →

Contact

Youngstown/Warren Regional Chamber at 330.392.6140

This summary is prepared as a reference, and should not be construed as the actual law. For more information, contact the Youngstown/Warren Regional Chamber.

Additional Information

The State of Ohio requires a project to meet one of the following four definitions:

1. Establish – means set up a facility at a location where the business has not previously operated;
2. Expand – means to make expenditures to add land, buildings, machinery, equipment or other materials (except inventory), to a facility that equal at least ten percent of the market value of the facility prior to such expenditures, as determined for the purposes of local taxation.
3. Renovate – means to make expenditures to alter or repair a vacant facility that equals at least fifty percent of the market value of the facility prior to such expenditures, as determined for the purposes of local taxation.
4. Occupy – means to make expenditures to alter or repair a vacant facility equal to at least twenty percent of the market value of the facility prior to such expenditures, as determined for the purposes of local taxation.

Proposed Enterprise Zone projects which include the relocation of employment positions or assets from one Ohio site to another are subject to additional requirements.

Beginning in tax year 2009, payable in 2010, there is no tax on tangible personal property in Ohio for all machinery and equipment; furniture, fixtures and equipment; and inventory.

Mahoning County EZ's (except for the City of Youngstown) utilize a scoring system for each project. Points are based on various criteria. Upon meeting the basic threshold eligibility requirements, a business is eligible for consideration to receive a 25% abatement for a period of five years.

Eligibility for larger and/or longer abatements may be achieved by accumulating points using the criteria described below. Each point earned equals an additional 1 percentage point of abatement eligibility. For each 10 points achieved, an additional year can be added to the term of the abatement, up to a limit of ten years.

Example: A Tool & Die (TD) manufacturer is considering the use of a vacant facility for manufacturing purposes. Projected employment is 15 full-time positions paying an average annual wage of \$23,500. The T&D will make a best effort to hire individuals from a low-mod income background. The investment in machinery and equipment is \$580,000 with 20% public sector financing.

The T&D project scores as follows:

- 2 pts–size of investment, 5 pts–manufacturing
- 4 pts–salary level, 5 pts–public sector financing,
- 12 pts–jobs created, 5 pts–vacant structure,
- 5 pts – MCTA/MCDJFS participation

43 points total

Base of 25% for 5 years plus a score of 43 points.

Maximum tax abatement consideration is 68% for 9 years.

MAHONING COUNTY POINT SYSTEM

Size of Investment:

- \$500,000 – 1,000,000 2 points
- \$1,000,001 – 3,000,000 4 points
- \$3,000,001 – 5,000,000 6 points
- \$5,000,001 – 7,000,000 8 points
- \$7,000,001 – 9,000,000 10 points
- \$9,000,001 – 11,000,000 12 points
- \$11,000,001 – 15,000,000 15 points
- \$15,000,001 – 20,000,000 20 points
- Over \$20,000,001 or more 25 points

Public Sector Financing

- No public sector financing 10 points
- Public sector less than 25% 5 points
- Public sector over 25% 0 points

**Jobs Created
(not retained)**

- < 5 4 points
- 5 – 10 8 points
- 11 – 30 12 points
- 31 – 50 16 points
- 51 – 70 20 points
- 71 – 90 24 points
- 91 – 110 28 points
- 111 – 150 36 points
- 151 – 200 38 points
- 201 – 300 40 points
- 301 – 400 42 points
- > 400 44 points

Average Salary of Jobs Created:

- < \$20,000 0 points
- \$20,001 - \$25,000 4 points
- \$25,001 - \$30,000 8 points
- \$30,001 - #35,000 12 points
- > \$35,000 18 points

Other

- MCTA/MCDJFS Commitment 50% 5 points
- Use of Vacant Structure 5 points
- Manufacturing use 10 points