



## Ohio Enterprise Zone Program

<b>Overview</b>	The Ohio Enterprise Zone Program (OENZP) provides local and state tax incentives for qualified businesses that expand or locate in designated areas of Mahoning and Trumbull counties.
<b>Benefits</b>	Substantial tax reductions on new real property investment. Additional franchise or state income tax benefits may be available.
<b>Eligibility</b>	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. Additional eligibility requirements are stipulated by individual communities and the State of Ohio. <i>ADDITIONAL INFORMATION ON BACK →.</i>
<b>Rate/Terms</b>	Application for Enterprise Zone program must be made before the project begins. Up to 75 percent exemption in the cities and villages of the Youngstown-Warren area (in excess of 75% requires school board approval) Up to 60 percent in other communities (in excess of 60% requires school board approval). The maximum abatement term is 10 years. There is no tax on tangible personal property in Ohio for all machinery and equipment; furniture, fixtures and equipment; and inventory.
<b>Contact</b>	Expected business location: Mahoning County                      Youngstown/Warren Regional Chamber at 330.392.6140. City of Youngstown                      Economic Development Department at 330.742.8981. Trumbull County                      Trumbull County Planning Commission at 330.675.2480.

*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 program requirements.

<p>Tangible Personal Property tax is phased-out after a four-year period starting in 2006. Beginning in tax year 2009, payable in 2010, there is no tax on tangible personal property in Ohio for all manufacturing machinery and equipment; furniture, fixtures and non-manufacturing equipment; and inventory. Manufacturing machinery and equipment purchased before January 1, 2005 is already exempt.</p>
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