



Job Growth Incentive Tax Credit (JGITC) Higher Education Partnership (HEP) Fact Sheet

Purpose

Job Growth Incentive Tax Credit (JGITC) Higher Education Partnership (HEP) is a performance-based job creation incentive program centered on companies partnering with State Higher Education Institutions to support job growth, academic development and economic expansion. More generally, the Colorado Office of Economic Development and International Trade (OEDIT) supports recruitment, retention and economic growth throughout the state, offering a variety of financial resources including financing programs, incentives, grants and tax credits.

Program Description

- The Job Growth Incentive Tax Credit (JGITC) provides a state income tax credit equal to 50% of FICA paid by the business on the net job growth for each calendar year throughout credit period.
- The business must have a Qualified Partnership Agreement with a State Higher Education Institution (HEI).
- A business may not start the hiring for or announce the proposed project in Colorado until a final application has been submitted to the EDC and approved.

Requirements/Eligibility Rules

- The incentive request must be approved by the EDC.
- The net new positions must be related to the HEI partnership.
- The State Institution of Higher Education means:
 - State Institution of Higher Education as defined in section 23-18-102(10), C.R.S.
 - Junior College
 - Vocational School

* Private, for profit, non profit, or unaccredited institutions do not qualify.
- A written and signed Qualified Partnership Agreement between the HEI and Company that includes:
 - Project narrative describing how the project meets each of the following statutorily required three guard rails:
 1. How the partnership aligns or furthers the academic mission of the state institution of Higher Education
 2. How the partnership results in positive benefits for the community and the local economy
 3. How the partnership allows a business to utilize the following for a project (minimum 1 of the following three)
 - a. The tangible intellectual property of the state institution of Higher Education
 - b. The body of academic knowledge and expert skills of the state institution of Higher Education
 - c. Any specialized equipment owned or developed by the state institution of Higher Education
 - HEI letterhead signed by a Dean, or equivalent, directly involved in the project.
 - Minimum partnership term of 1 year.
 - Confirms the location for both the HEI property and the Company.
- The project and new positions need to be located on or within one mile of the campus of or on other property owned by the state institution of Higher Education.
- Businesses have to create at least 5 net new jobs (full-time equivalents) in Colorado during the credit period with an average yearly wage of at least 100% of the state average annual wage (AAW).
- The credit period is 96 consecutive months where the business may claim an annual tax credit.
- All net new jobs must be maintained for at least one year after the positions are hired.
- Businesses already receiving an incentive from the EDC's Strategic Fund may not receive an incentive from the EDC's JGITC Program for the same net new full-time permanent jobs.
- Complete an OEDIT JGITC application that includes a description of why the credit is needed.

Other Program Elements

If the issued tax credits exceed the taxpayer's income tax for the income tax year in which the credit is being claimed, the amount of the unused tax credit shall not be allowed as a refund, but may be carried forward and applied in each of the 10 succeeding income tax years (must be applied to the earliest tax return possible). Colorado Revised Statutes: 39-22-531.

Application Process

Business interested in requesting a JGITC HEP commitment should work with their local economic development representative and contact OEDIT Global Business Development Staff to preliminarily determine if the business meets the requirements. (303-892-3840 or michelle.hadwiger@state.co.us)

The fact that an application meets all of the program's general policy guidelines does not mean that the project will necessarily be approved. The Colorado Economic Development Commission reserves the right to approve, deny or vary from these guidelines as necessary and appropriate and delay any decision due to budgetary constraints.

Learn more at www.advancecolorado.com/incentives

