



## Colorado Enhanced Rural Enterprise Zone Program

### Purpose

The Colorado Enterprise Zone (EZ) Program was created by the Colorado Legislature (C.R.S. Title 39, Article 30) to promote a business friendly environment in economically distressed areas by offering state income tax credits that incentivize businesses to locate and develop and non-profit organizations to assist with the needs of these communities.

The Enhanced Rural Enterprise Zone (EREZ) program provides greater financial incentives to businesses to promote and encourage new job creation in designated economically lagging rural Enterprise Zone counties (C.R.S. 39-30-103.2 and 105.1).

### Program Description

Businesses located in an EREZ may qualify for the following state income tax credits. The credits are in addition to those granted to businesses in a standard Enterprise Zone.

BUSINESS INCOME TAX CREDITS EREZ Business Facility Credits	CREDIT AMOUNT	DOR FYI
EREZ– New Employee Credit	\$2,000 per new job	Reference FYI Income 10
EREZ – Agricultural Processor new Employee Credit	\$500 per new job	

### Requirements/Eligibility Rules

EREZ's are counties in an Enterprise Zone that meet two of the following five criteria:

1. County unemployment rate greater than 50% above state average.
2. County per capita income less than 75% of state average.
3. County population growth rate less than 25% of state average.
4. Total non-residential assessed value ranks in lower half of all counties.
5. County population less than 5,000.

The following counties are designated Enhanced Rural Enterprise Zones (2017-2018):

Alamosa	Costilla	Fremont	Kit Carson	Mineral	Prowers	Washington
Baca	Crowley	Hinsdale	Lake	Montrose	Rio Grande	
Bent	Custer	Huerfano	Las Animas	Otero	Saguache	
Cheyenne	Delta	Jackson	Lincoln	Ouray	San Juan	
Conejos	Dolores	Kiowa	Logan	Phillips	Sedgwick	

The state promulgates a revised list of eligible counties every two years. When a county is removed from the EREZ list, taxpayers who have previously committed to future job creation plans in such county may file a certification for an extension of up to five additional years to continue claiming EREZ credits based on additional job creation.

### Application Process

Each income tax year, a business located in an EZ must file and be Pre-certified prior to beginning an activity to earn any of the business tax credits listed. At the end of the income tax year, a business must certify that the activities were performed. Pre-certification and Certification are applied for online.

Applications and Additional Information: [www.choosecolorado.com/ez](http://www.choosecolorado.com/ez)

