



## 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 an additional credit when hiring net new employees; the EREZ New Employee Credit is in addition to the other New Employee tax credits available to businesses operating in a standard Enterprise Zone. Reference the Colorado Department of Revenue’s FYI Income 10 for determining net new employees.

BUSINESS INCOME TAX CREDITS EREZ Business Facility Credits	CREDIT AMOUNT
EREZ– New Employee Credit	\$2,000 per net new employee
New Employee Credit	\$1,000 per net new employee
Agricultural Processor New Employee Credit	\$ 500 per net new employee

### 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 for calendar years 2019 and 2020:

Alamosa	Costilla	Hinsdale	Las Animas	Phillips	Washington
Archuleta	Crowley	Huerfano	Lincoln	Prowers	Yuma
Baca	Custer	Jackson	Mineral	Rio Grande	
Bent	Delta	Kiowa	Moffat	Saguache	
Cheyenne	Dolores	Kit Carson	Otero	San Juan	
Conejos	Fremont	Lake	Ouray	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 complete a pre-certification application prior to engaging in an activity eligible 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)

