

## RIVER RIDGE URBAN ENTERPRISE ZONE (RRUEZ)

### Investment Deduction

This deduction allows a Zone business to deduct the **increase in assessed value** from a **“qualified investment”** in **real or personal property** for up to 10 years.

- “Qualified Investments” are those investments in a business location in the UEZ, including:
  - The purchase of a building.
  - The purchase of new manufacturing or production equipment;
  - Costs associated with the repair, rehabilitation, or modernization of an existing building and related improvements;
  - Onsite infrastructure improvements;
  - Construction of a new building; and
  - Costs associated with retooling existing machinery.

A. To take advantage of this credit, employers must:

- File the EZB-R with the IEDC and the RRUEZ by June 1<sup>st</sup>, accompanied by the 1% IEDC registration fee and the 49% RRUEZ participation fee
- If an extension of time is needed to file the EZB-R, file the EZB-E by June 1<sup>st</sup>, and the EZB-R by July 15<sup>th</sup>.

B. Forms you will need:

- Submit form **EZ-2** to the Clark County Auditor **between January 1<sup>st</sup> and May 15<sup>th</sup>** Investment Deduction of the **assessment year**.
- In the case of deductions for personal property (machinery/equipment), this form must be accompanied by **Form 103 or 104**.
- File Form **EZB-R** with the IEDC and send a copy to the RRUEZ by **June 1<sup>st</sup> of the year in which taxes are payable**, accompanied respectively by:
  - IEDC Registration Fee (1% of total tax savings)
  - RRUEZ Contribution Rate (49% of total tax savings)
- If you need an extension of time to file an EZB-R, you may file form **EZB-E** by **June 1<sup>st</sup>**. If approved, you will have until July 15<sup>th</sup> to properly submit the EZB-R.

C. UEZ Investment Deduction – Example Timeline

1/1/16	Property Assessment
2016	Improvements made
1/1/17	Property Assessment; Assessed value increases as result of improvements
5/15/17	EZ-2 form (and Forms 103 and 104 for personal property, if necessary) due to County Auditor
8/15/17	Auditor notifies business whether deduction allowed
2018	2017 assessed property taxes become payable
6/1/18	EZB-R due to IEDC & RRUEZ w/ 1% IEDC registration fee & 49% RRUEZ participation fee. EZB-E due to IEDC if extension needed
7/15/18	EZB-R and appropriate fees due if extension approved

Q: What if I do not know what my tax savings is by June 1<sup>st</sup> or July 15<sup>th</sup>?

A: If the business does not know their tax savings by June 1<sup>st</sup>, they should file an extension (EZB-E) by June 1<sup>st</sup>, which will enable them to file the EZB-R form by July 15<sup>th</sup>. If the business still will not know the tax savings by July 15, an EZB-R form is still due by July 15<sup>th</sup>; however, the form will be incomplete. As soon as the tax savings amount is known, the business must submit a complete EZB-R form and, if applicable, send a check for 1% of the tax savings to the IEDC and a check for 49% of the tax savings to the RRUEZ.