

ENTERPRISE ZONE PROGRAM: JOBS TAX CREDIT

Enterprise Zone Jobs Tax Credit

The Enterprise Zone Jobs Tax Credit offers employers a tax credit on their Illinois income taxes for hiring employees who are certified as dislocated workers or economically disadvantaged individuals. The credit is available for eligible employees hired on or after January 1, 1986.

How Much Is the Tax Credit?

An employer who conducts a trade or business in an enterprise zone is allowed a credit of \$500 per eligible employee hired to work in a zone during the taxable year. Any unused portion of the credit may be carried forward five years. The credit must be applied to the earliest year for which there is a tax liability.

How Do Employers Qualify for the Jobs Tax Credit?

To qualify for the credit: a minimum of 5 eligible employees must be hired in a zone during the taxable years; and, the taxpayer's total employment within the zone must increase by 5 or more full-time employees beyond the total employed in the zone at the end of the previous tax year for which a jobs tax credit was taken, or beyond the total employed as of December 31, 1985, whichever is later.

How Do Individuals Qualify for the Jobs Tax Credit?

An employee must be:

- Certified by a Workforce Board as a dislocated worker or economically disadvantaged individual;
- Employed in an enterprise zone where the employee either works in the zone or the zone is the base of operations for the services performed; and,
- Employed at least 180 consecutive days for 30 or more hours per week.

How Do Employers Obtain Jobs Tax Credit Eligible Individuals?

An employer should list job openings with the local Workforce Board, note that the business is within an enterprise zone, and specify that the business seeks to hire certified dislocated workers or economically disadvantaged individuals. If employers have job applicants who have not been referred by the Workforce Board, they should first refer them to the local Workforce Board office to determine if they are eligible prior to being hired.

Questions:

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