

# STANISLAUS ENTERPRISE ZONE (ZONE 40)

## FREQUENTLY ASKED QUESTIONS

### What is an Enterprise Zone?

It is a state-sponsored tax benefit program designed to reduce the cost of doing business. The Enterprise Zone Act provides special tax incentives for entities and individuals who operate or invest in a business within zone boundaries.

### How do I qualify for the tax benefit?

All businesses located within the enterprise zone boundaries are eligible for benefits. Your zone address qualifies you automatically for the opportunity to earn tax credits.

### How do I know if my business is located in the Enterprise Zone?

To verify whether your business is located within Zone 40, you can log onto <http://www.stanalliance.com/> or call the Alliance at 209.523.ZONE (9663).

Note: When using the online street verification, if you are not certain your business is within the city boundaries or in the county, make sure and check the unincorporated list on the website as well.

### How long does the Enterprise Zone program last?

It lasts for 15 years from date of designation. Zone 40, the Stanislaus Enterprise Zone was initially designated November 16, 2005. Further expansion; with varied effective dates have since been approved.

### What are some of the valuable tax incentives offered by the Stanislaus Enterprise Zone?

#### State Tax Credits

- ⑩ Hiring Tax Credit
- ⑩ Sales and Use Tax Credit
- ⑩ Business Expense Deduction
- ⑩ 15 Year Net Operating Loss (NOL)
- ⑩ Net Interest Deduction

#### Local Incentives

- ⑩ Business Assistance
- ⑩ Job Placement Assistance
- ⑩ Eligibility Screening
- ⑩ Fast Track Permitting

### Hiring Tax Credit (Vouchering)

Vouchering is the process of screening and documenting new hires to determine if the employee qualifies a business for the credit. In addition, there is a \$50 local processing fee per person referred for eligibility and vouchering.

### **If I have job openings, how do I find qualified candidates?**

As a service to Stanislaus businesses, the Alliance will assist businesses in processing job orders and help identify eligible applicants.

### **If I recently hired a new employee and want to see if they qualify my company for the hiring tax credit, what should I do?**

Hiring tax credit eligibility screening can be conducted on new hires within the first two weeks of employment. Contact the Alliance at 209.523.ZONE (9663)

### **Which employees qualify my business for a hiring tax credit?**

A “qualified employee” is an employee who:

- ⑩ Ninety percent of the work must be directly related to a trade or business activity in the enterprise zone
- ⑩ Performs at least 50% of the work within the boundaries of the zone;
- ⑩ Is a regular employee, not a temporary or contract worker; and
- ⑩ Is part-time or full-time

In addition, a “qualified employee” must be currently or six months prior to their hire date, one of the following:

- 1) A person receiving or eligible to receive subsidized employment, training or services funded by WIA
- 2) A person eligible to be a voluntary or mandatory participant in CalWorks
- 3) A member of a targeted group as defined in the Federal Work Opportunity Tax Credit (WOTC)
- 4) An economically disadvantaged individual 14 years of age or older
- 5) A qualified dislocated worker
- 6) A disabled individual eligible for, enrolled in, or who completed a state rehabilitation program
- 7) A service connected disabled veteran
- 8) A veteran of the Vietnam era
- 9) A veteran who recently separated from military service (48 months prior to hire date)
- 10) An ex-offender
- 11) A person eligible for or recipient of:
  - ⑩ SSI benefits
  - ⑩ Temporary Assistance for Needy Families (TANF)
  - ⑩ State and local general assistance
- 12) A Native American
- 13) A resident of a Targeted Employment Area (TEA)

### **Who do I contact if I want to find out more about ZONE 40?**

For Zone 40 information, contact the Alliance 209.523-ZONE (9663) or visit the Alliance website at [www.stanalliance.com](http://www.stanalliance.com).