



Enterprise Zone Tax Update

Lafayette Urban Enterprise Association
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Investment Deduction

Businesses or individuals who make qualified investments within the Lafayette Urban Enterprise Area are eligible to receive this tax deduction. The deduction is equal to the total assessed value minus the base year assessed value for the qualified investment. The deduction can be claimed for up to ten (10) years. See Indiana Code 6-1.1-45 for details.

Qualified investments include the following:

- 1) Purchase of a building
- 2) Purchase of new manufacturing or production equipment
- 3) Costs associated with the repair, rehabilitation, or modernization of an existing building and related improvements
- 4) On-site infrastructure improvements
- 5) Construction of a new building
- 6) Costs associated with retooling existing machinery

Eligibility is determined by the County Auditor on August 15 of the year in which the application is made. Determinations may be appealed. To claim the deduction, the taxpayer must file a certified application (EZ-2 form/State Form 52501) with the County Auditor before May 15 of the assessment year unless an extension is granted. The deduction also requires the approval of the Lafayette Redevelopment Commission.

Loan Interest Credit Information

Any Indiana taxpayer, whether individual or business, may receive a state tax credit of 5% of the interest income earned on loans made to enterprise zone businesses or on loans for improvements to real property, including residential property.

January 2017 DATES TO REMEMBER

January 1, 2017
2017 Payable 2018
Business Personal
Property Tax
Assessment

April 2017
2017 Payable 2018
Participation Fee
Invoices are sent to
all qualifying LUEA
Zone businesses

May 15, 2017
EZ-2 must be filed
with the County
Auditor for the
Investment De-
duction

June 1, 2017
EZB-R (Zone Registr-
ation form) or EZB-E
(Extension form) must
be filed using the
online portal (see
following page)

July 17, 2017
Form EZB-R due if
an extension was
granted

Forms at luea.org

Forms and information
are on our website,
www.luea.org.
A map of the enterprise
zone and all addresses
in the zone are also on
the webpage



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Tax Deduction for All Zone Residents

Residents of Lafayette’s Urban Enterprise Zone who also work in the zone may be entitled to deduct from their Indiana income tax up to one half (1/2) of their income earned or \$7,500, whichever is less. Zone Resident Employees of ANY business, government agency, or not-for-profit organizations located in the zone are eligible to take this deduction. Claim this deduction by sending an IT-40 QEC form from the employer with the employee’s Indiana state tax return and entering the amount as “OTHER” in deductions.

Tax Credit for Employers

Zone employers can reduce their state tax liability by employing zone residents. State tax credits up to \$1,500 are earned based on wages paid to employees who live in the zone and work in the zone. Please contact LUEA for details or visit www.luea.org and go to Business Tax Benefits—Employment Expense Credit.

New for 2017

All enterprise zone businesses must now file their zone registration (EZB-R or EZB-E forms) using the IEDC online portal.

<https://iedcportal.iedc.in.gov/>

