

TAX SAVINGS
FOR BUSINESS



City of
SANTA CLARITA
ENTERPRISE ZONE

Enterprise Zones provide tax incentives to businesses and allow private sector market forces to revive the local economy. The program offers special tax incentives to entities and individuals located within the Enterprise Zone. Businesses located in the Enterprise Zone are not limited to just one of the following credits, but can take advantage of all of them.

HIRING TAX CREDIT

Businesses that hire Enterprise Zone-eligible employees could realize a tax savings of over \$36,000 per employee over a five-year period. Businesses can qualify by hiring laid-off workers, individuals who live in targeted employment areas, qualified employment and training program participants, and other qualified individuals. The tax credit is retroactive to the "Final" designation date, and excess credits can be carried forward to offset future tax obligations.

SALES AND USE TAX CREDIT

Businesses can receive State tax credits on the amount of sales and use tax paid on qualified manufacturing equipment purchased or leased and used in the Enterprise Zone. Manufacturing equipment, machinery or machinery parts qualify if they are used to:

- **MANUFACTURE, PROCESS, ASSEMBLE OR FABRICATE A PRODUCT**
- **PRODUCE RENEWABLE ENERGY RESOURCES**
- **CONTROL AIR OR WATER POLLUTION**

Or if the equipment is:

- **DATA PROCESSING AND COMMUNICATIONS EQUIPMENT**
- **MOTION PICTURE EQUIPMENT**

BUSINESS EXPENSE DEDUCTION

Up to \$40,000, depending on the year purchased, can be deducted based on tangible business property purchased and used exclusively in the Enterprise Zone.

NET INTEREST DEDUCTION FOR LENDERS

Lenders may claim a deduction from state income tax on a portion of the interest earned on loans to Enterprise Zone businesses.

NET OPERATING LOSS CARRYOVER

100% of net operating losses can be carried over for up to 15 years.

INCOME TAX CREDIT FOR EMPLOYEES

Some employees working in the Enterprise Zone may qualify to claim state tax credits on their personal income tax.



THE SANTA CLARITA ADVANTAGE

- One of Los Angeles County's top five business-friendly cities
Awarded by Los Angeles Economic Development Corporation (2006)
- Highly educated workforce with over 80% of residents college educated
- California Distinguished and Blue Ribbon award winning primary and secondary school system
- Home to College of the Canyons, California Institute of the Arts, and The Master's College
- Top 10 Safest Cities in the United States for cities with over 150,000 population
- Located in the Los Angeles "30-mile zone" for filming
- One of top 25 retail markets in California
Awarded by Connecting California Retail Survey
- Best Place to Live in California; Top 20 in Nation
Awarded by *CNN Money Magazine*

SANTA CLARITA RESOURCES

City of Santa Clarita
Enterprise Zone Office
SCENTERPRISEZONE.COM
(661) 286-4118

City of Santa Clarita
Economic Development
Division
LOCATESANTACLARITA.COM
(661) 255-4347

City of Santa Clarita
23920 Valencia Blvd.
Suite 210
Santa Clarita, CA 91355

The Santa Clarita
WorkSource Center
SCWORKSOURCE.COM
(661) 424-1062

Santa Clarita Valley
Chamber of Commerce
SCVCHAMBER.COM
(661) 702-6977

Small Business
Development Corporation
CANYONSECONDEV.ORG
(661) 294-9375

Valley Industrial
Association
VIA.ORG
(661) 294-8088



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