



Job Opportunity Building Zones

Goal: Stimulate economic development activity in distressed areas of Minnesota by providing local and state tax exemptions.

Zone

Characteristics:

Up to 10 Job Opportunity Building Zones (JOBZ) and 5 Agricultural Processing Facility Zones (APFZ) can be created for a maximum duration of 12 years. JOBZ cannot exceed 5,000 acres but may include one or more non-contiguous sub-zones and multiple commercial/industrial properties. APFZ cannot exceed the size of the facility and space for ancillary facilities and expansions in the reasonably foreseeable future.

Eligible

Applicants:

Greater Minnesota local units of government are eligible to apply. Multiple local units of government are strongly encouraged to submit joint/multi-jurisdictional JOBZ applications.

Type of

Tax Exemptions:

Corporate franchise tax; income tax for operators or investors; sales tax on goods and services used in the zone if the goods and services were purchased during the duration of the zone; property tax on commercial and industrial improvements but not on land; wind energy production tax, and; employment tax credit for high paying jobs.

Aid is available to zones that experience a 3% drop in tax capacity as a result of property tax exemptions provided through the zone.

Exemption does not apply to the following property: Property subject to a general obligation bond levy; Property subject to a school operating referenda approved by the voters before designation of the JOBZ or APFZ; Land only (improvements to land are exempt); Property where neither the owner or lessee is a qualified business (see eligible property/business section for qualified business definition).

Eligible

Property/Business:

Tax exemptions apply only to qualified businesses. Qualified businesses include businesses in the Zone at the time of designation, business startups in the Zone, business relocations from other states, and business relocations from Minnesota if the business increases employment by 20% within the first year or makes a capital investment equal to 10% of gross revenues.

JOBZ Zone

Selection:

Applications were received October 15, 2003 and are in the process of an interdisciplinary review. Awards will be made the end of December, 2003 and tax exemptions start January 1, 2004.

For more

information:

Go to www.dted.state.mn.us/jobz-f.asp for the most up-to-date information on Minnesota's JOBZ zones. Specific JOBZ site information will be available February, 2004 at www.MNPRO.com.

Department of Employment and Economic Development

500 Metro Square, 121 7th Place East • St. Paul, MN 55101-2146 • (651) 297-1291 or (800) 657-3858 • www.dted.state.mn.us

