

PROGRAM PURPOSE - CAPITALIZING ON A COMMUNITY'S RESOURCES

The Enterprise Zone Program targets economically distressed areas throughout California. Special state and local incentives encourage business investment and promote the creation of new jobs. The purpose of the program is to stimulate development by providing tax incentives to businesses and allow private sector market forces to revive the local economy.

TAX BENEFITS

Enterprise Zone companies are eligible for substantial tax credits and benefits including:

- Hiring Credits - Firms can earn \$31,544 or more in state tax credits for each qualified employee hired;
- Up to 100% Net Operating Loss (NOL) carry-forward. NOL may be carried forward 15 years (suspended for tax years 2002 and 2003);
- Corporations can earn sales tax credits on purchases of \$20 million per year of qualified machinery and machinery parts;
- Up-front expensing of certain depreciable property. Lenders to Zone businesses may receive a net interest deduction;
- Unused tax credits can be applied to future tax years, stretching out the benefit of the initial investment;
- Enterprise Zone companies can earn preference points on state contracts.

BUSINESS ELIGIBILITY

Businesses located at qualified addresses in an Enterprise Zone are eligible for program benefits. There are 42 Enterprise Zones located throughout California. (locations and contacts below). The State designates Enterprise Zones for a 15-year period.

HIRING CREDIT ELIGIBILITY - TARGETED EMPLOYMENT AREA QUALIFIER

The Targeted Employment Area (TEA) is one of several qualifying factors for obtaining state hiring tax credits. The TEA allows residents of certain designated low-income areas to qualify Enterprise Zone employers for substantial hiring credits through a "vouchering" system. **The street ranges for TEAs within Enterprise Zones are identified in [Maps and Street Ranges](#).**

MAPS AND STREET RANGES

Note: These enterprise zone street ranges are provided as a general guide and do not have the power of law. Final determination of eligibility rests with the Department of Housing and Community Development. Each community's street ranges are updated as needed. Each zone is permitted to expand throughout its life, thereby adding to street ranges. Occasionally, errors do occur and are corrected when discovered. You will need [Adobe Acrobat](#) to view some of these maps. Exact addresses for enterprise zones and targeted employment areas are different and can be seen on <http://www.hcd.ca.gov/fa/cdbg/ez/pdfs/enterprise/longbeach.pdf>. Basically this includes addresses for businesses on Atlantic between 1-5449 and 6500-6999 and on Long Beach Blvd between 1-6999. The City must certify every employee hired as eligible including categories other than residence location.