

Source: Mesa County Enterprise Zone Administration

Are you using all of the TAX CREDITS available to you?

The Valley Vineyard is located in Western Colorado. Equipment was purchased for the vineyard and 2 new employees were hired. One of the new employees attended a company paid advanced vineyard management training seminar.

Enterprise Zone (EZ) Tax Credits:

<u>Item</u>	<u>Amount of Investment</u>	<u>Tax Credit (3%)</u>
Equipment	\$80,000	\$2,400

(Purchased for the business and used in the EZ at least one year.)

<u>Item</u>	<u>Total New Jobs Created</u>	<u>Tax Credit</u>
New jobs created	2	\$2,000*

(*Jobs in the agricultural processing industry are eligible for 2 times the \$500 jobs tax credit for a total of \$1,000 per job.)

<u>Item</u>	<u>Total Expense of Training</u>	<u>Tax Credit (10%)</u>
Advanced Training Seminar	\$750	\$75

Tax Credits for 1st Year: \$4,475

Note: In addition to the above tax credits, grape vines, fruit trees, etc. can qualify for the Investment Tax Credit. All expenditures necessary to bring the vineyard or orchard to a producing state should be capitalized in order to calculate the amount of investment. They are considered first placed into service (i.e., the tax year they are eligible for the credit) when they first reach the income-producing stage.