



Galesburg Enterprise Zone Building Materials Sales Tax Exemption

The Illinois Enterprise Zone Act (20 ILCS 655) contains provisions for the Illinois Enterprise Zone program that is administered by the Illinois Department of Commerce and Economic Opportunity (DCEO). The City of Galesburg has a certified Enterprise Zone (GEZ) which began January 1, 2016 and will remain in effect for an initial fifteen years expiring upon December 31, 2030. The Enterprise Zone offers a number of incentives to encourage businesses to locate or expand in the zone.

One of those incentives is the Building Materials Sales Tax Exemption, for which this form provides some information on how to obtain the incentive.

Who is eligible for a Building Materials Exemption Certificate?

Any new construction or renovation of commercial, industrial, multi-family within the GEZ or upper-story residential unit(s) in the GEZ when also within a B3 zoning district. A construction permit (Building, Plumbing, HVAC or Electrical) is required to be obtained for a project to be eligible. Each construction contractor, subcontractor or other entity that purchases building materials that will be physically incorporated into real estate may deduct the 8.75% state administered sales tax from the receipts of such sales.

What are penalties for misuse of an exemption certificate?

Certificates are project specific and cannot be shared among other contractors or entities. Certificate holders are responsible for ensuring their certificates are used only to make qualified purchases. A certificate holder who uses the certificate or allows it to be used improperly will be assessed taxes and penalties on the purchase, an additional monetary penalty equal to the state and local sales taxes on the purchase, and may be barred from securing certificates for other projects.

What are examples of items that qualify for deduction?

Items that would qualify must be purchased for physical incorporation into the real estate, such as; common building materials (lumber, bricks, cement, windows, door, insulation, and roofing materials), plumbing systems (bathtubs, lavatories, sinks, faucets, garbage disposals, water pumps, water heaters, water softeners and water pipes), electrical systems (wiring, outlets and light fixtures), HVAC systems (furnaces, ductwork, vents, boilers, heating pipes and radiators), central air conditioning systems, built in cabinets, built in appliances and floor coverings that are glued or otherwise permanently affixed to the real estate.

Items that would not qualify include tools, machinery, equipment, fuel, forms, free standing appliances, area rugs and other items that are not physically incorporated into the real estate.

How long is a certificate valid?

Certificates are valid for a maximum of two years (or until the zone expires). The exact expiration date of each certificate will vary and is based upon the expected project completion date provided at the time the application is submitted. If the Certificate expires prior to the completion of the project, you must obtain a new certificate.

Required Procedure per the Illinois Department of Revenue

- Each contractor, subcontractor or other entity seeking exemption certificates must submit an application to the Community Development Department (Zone Administrator).
- City staff must submit the information to the Illinois Department of Revenue (IDOR) through their website.
- The IDOR sends an email with a link to the exemption certificate within 72 hours directly to the contractor.
- Each time building materials are purchased, the purchaser must leave with the seller a completed EZ-1 Form (provided by IDOR). The form identifies what was purchased, who made the purchase, for what project the purchase was made and the purchaser's exemption certificate number.
- *Within 60 days of the end of a project, the estimated cost of the project (broken down into labor and materials) must be submitted to the Zone Administrator.*

CITY OF GALESBURG

Community Development Department
 Operating Under Council – Manager Government Since 1957



Building Materials Sales Tax Exemption Application

Enterprise Zone Project No. GEZ- _____

Date submitted: _____

Project Address: _____
 Parcel Identification Number(s): _____
 Name of Business: _____
 Federal Employer's I.D. #: _____
 Unemployment Insurance #: _____
 Owner's Name: _____
 Owner's Address: _____
 Project Description: _____
 Project expected completion date: _____

PROJECT TYPE (check one) Retail Commercial _____ Service Commercial _____ Industrial _____
 NAICS CODE: found at <http://www.census.gov/cgi-bin/sssd/naics/naicsrch?chart=2012> : _____

NUMBER OF FULL TIME EQUIVALENT (FTE) JOBS

	Professional	Skilled	Unskilled
Presently at Project Location			
Retained as a Result of this Project			
Created within 12 Months of Project completion and as a result of this Project			

ESTIMATED VALUE OF CONSTRUCTION (per Contractor's Bid) Please *attach a list* of building materials and estimated quantities:

Estimated Cost of New Construction	Est. Cost of Rehab/Remodel	Est. Cost of Site	Est. Cost of Capital Equipment	Est. Cost of Project Building Materials	Total Project Cost
\$	\$	\$	\$	\$	\$

COMPLETE FOR ALL CONTRACTORS/ENTITIES SEEKING A CERTIFICATE FOR BUILDING MATERIALS EXEMPTION.

Contractor / Entity	Mailing Address	Phone #	Email	FEIN*	Contract Amount	% of contract consisting of building materials
					\$	
					\$	
					\$	
					\$	
					\$	
					\$	

*A contractor without an FEIN must go to IDOR website & enter his/her social security #. IDOR will provide an applicant ID to be used above instead.

Owner's Signature (or authorized Representative) _____ Relationship of Authorized Representative to Owner _____

Owner's Name (Printed or Typed) _____ Date _____

	Fee waived	Date issued
Building Permit No. _____ Building Permit: \$ _____	_____	_____
Plumbing Permit No. _____ Plumbing Permit: \$ _____	_____	_____
Electrical Permit No. _____ Electrical Permit: \$ _____	_____	_____
Heating Permit No. _____ Heating Permit: \$ _____	_____	_____

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