

HOUSE RESEARCH

Bill Summary

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Subject: Duration of JOBZ tax incentives

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Overview

This bill extends the period of time that job opportunity building zone (JOBZ) tax benefits are available beyond the zone duration limit, allowing qualifying businesses to receive at least 10 years of tax incentives.

Section

- 1** **JOBZ; duration of tax benefits.** Extends the permitted time for JOBZ tax benefits to be 11 years, regardless of the zone duration: i.e., the year in which the business subsidy agreement is signed and 10 additional years. Present law limits the availability of these incentives to the duration of the zone. These zones were designated effective January 1, 2004 and have a 12-year duration. As result, the tax benefits will stop at the end of 2015. Thus, for example, a business signing a business subsidy agreement (entitling it to JOBZ benefits) in 2008, could qualify for 8 years of tax benefits (2008 through 2015). This would increase the entitlement to 11 years.

The extension of the duration limit does not apply:

- Business subsidy agreements executed before the section became effective or
- Relocations into a JOBZ, if the business received JOBZ benefits before the relocation.