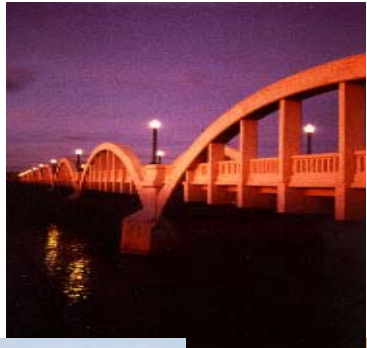


# Northeastern Colorado Enterprise Zone

## *Community Contribution Tax Credit*

**EVERYBODY WINS IN ...  
Logan, Morgan, Phillips, Sedgwick, Washington, and Yuma  
Counties**



**Northeast Colorado Association of Local Governments**  
**231 Main Street, Suite 211 \* Fort Morgan, Colorado 80701**  
**Phone: 970-867-9409 \* Fax: 970-867-9053**

## What Is the Northeastern Colorado Enterprise Zone?

An enterprise Zone is a state-designated area in need of economic growth and diversification. It provides various state income tax credits to encourage the private sector to invest resources to create or maintain jobs within the zone area. All of Logan, Morgan, Phillips, Sedgwick, Washington, and Yuma counties are located within the Northeastern Colorado Enterprise Zone.

### The Contribution Credit

The Colorado State Legislature has established a number of tax credits to benefit enterprise zone investors, but the most generous allows a 25% state income tax credit for private contributions to an enterprise zone that will assist in implementing that zone's economic development plan. This credit has been of particular interest during recent years in the Northeastern Zone because of the number of special projects now designated as eligible for the contributions.

If you choose to make a cash donation to the Northeastern Enterprise Zone for any of its designated community economic development projects, **you will receive 25% of that amount as a credit against your state tax liability.** The contribution also may be itemized on your federal tax return.

The Northeastern Enterprise Zone recognizes non-cash donations, as well. Gifts of property, stocks or other in-kind donations may qualify for state tax credits, but non-cash contributions are limited to a 12.5% credit rather than the 25% allowed for a cash donation.

### How Do You Win?

As a Colorado taxpayer, the enterprise zone community contribution credit benefits you in several ways:

- It decreases the amount of taxes you owe.
- It gives you an opportunity to invest in your community.

It lets **you** direct the use of your dollars in ways

that have more immediate and personal meaning for you and your family.

### How Can the Community Win?

Historically, rural communities have depended on state and federal government

and private foundation for assistance with community development projects. Unfortunately, as time passes, available resources cannot keep up with increasing demands, and it becomes more and more difficult for smaller communities to make needed improvements.

A contribution to the enterprise zone, however, offers several benefits for communities.

- It represents an additional source of funds.
- It can be received at any time during the year.
- It comes from a donor who has a personal interest in the project
- It triggers other investment in the community, thus helping to stabilize the local economy.

### Who Else Wins?

Your state and local elected representatives who have continually supported the enterprise zone concept can see that the idea really works, that rural development can be significantly enhanced through contribution tax credits.

Your contribution, added to others, represents a sizeable and permanent commitment to your designated community project. This local commitment makes it more attractive for other funding agencies to justify investment in your project, as well.

The use of your contribution for community projects relieves demands on other revenue sources, which may then be used for needed programs and services which may not have alternative resources.

Once your project is completed successfully, it becomes a model for other communities to follow. Ultimately the idea of community contributions will expand beyond your local community to improve the economy and quality of life throughout Colorado's Northeastern Plains!

### **Ready to Claim Tax Credits?**

To be eligible for the Community Contribution Tax Credit, your contribution check must be made out to NECALG Enterprise Zone, and should be accompanied by a notation as to which project your contribution is to benefit.

*You may designate one project for your contribution, or you may contribute to more than one project in any given year.*

*A minimum contribution of \$50 or a pledge of \$10 a month is encouraged.*

*Smaller contributions to individual projects are always welcome, but may not benefit from the 25% tax credit.*

The contribution should be mailed to the Enterprise Zone Administrator. The administrator will complete a certification form that will be returned to you to attach to your tax return. Any state credit not used in the current year can be carried forward for up to five years.

NECALG will pass through 96% of all enterprise zone contributions to the designated projects. The contributor will receive a tax certification for 100% of the contribution.

### **What Types of Projects Are Eligible for the Tax Credits?**

Projects that are eligible for the Northeastern Enterprise Zone contribution tax credits are limited to public infrastructure, facilities and programs that have been designated by the

Northeastern Colorado Association of Local Governments and the State Economic Development Commission as being integral to helping implement the regional economic development plan. A listing of the projects that currently are designated as Northeastern Colorado Enterprise Zone Contribution Projects is included with this brochure as an insert.

### **Want Additional Information?**

For more detailed information about the Northeastern Colorado Enterprise zone, about Community Contribution Tax Credit or designated enterprise zone projects, or about any of the other available enterprise zone tax credits, contact:

**Enterprise Zone Administrator  
Northeastern Colorado Association  
of Local Governments  
231 Main Street, Suite 211  
Fort Morgan CO 80701  
(970)867-9409 ext. 233  
lworth@necalg.com**

Potential contributors also are encouraged to contact their own tax preparers as to the exact benefits from their particular contributions.

## Investing Locally

The State of Colorado has provided its wage-earners with an opportunity to make contributions to Enterprise Zone projects in Northeastern Colorado and receive a direct tax benefit of up to 57.63% of the amount you contribute. Any credit not used in the current year can be carried forward. The following is one example of what can happen by investing your state income tax liability in local projects:

.....Example: You have a Colorado State Tax liability of ..... \$5,000.00

.....If you make Contributions(s) to local EZ project(s) totaling \$10,000, you will receive a 25% tax credit..... (2,500.00)

... Your net tax benefit from Schedule A of your Federal return allows you a state deduction of 4.63%, which is ..... (463.00)

..... Leaving you a net Colorado liability of ..... \$2,037.00

You receive an additional federal benefit from Schedule A for your contribution deduction of ..... \$10,000.00

multiplied by the Federal tax rate of ..... 28% which gives you a net Federal tax benefit of ..... \$2,800.00

Your total contribution of..... \$10,000.00 gives you a reduction to Colorado state tax liability in the amount of .....(2,963.00)

and a reduction of your Federal tax liability in the amount of .....(2,800.00)

The net cost of your \$10,000 contribution(s) to local EZ project(s) as a taxpayer is ..... \$4,237.00

*Remember—this is just an example of what can happen.*

**You should contact your own tax preparer**

*for specific benefits related to your individual contribution(s).*

*Gifts of property or stocks also may qualify for tax credits.*

County Express Public Transportation System is designated for every county in Northeastern Colorado Enterprise Zone.

### Logan County

City of Sterling Infrastructure  
Logan County Economic Development  
Logan County Adult Literacy  
NJC College Farm  
Sterling Bonfil's Blood Center  
Sterling Regional Medcenter

### Morgan County

Brush Main Street Project  
Caring Ministries of Morgan County  
East Morgan County Hospital Foundation  
Eben Ezer Lutheran Care Center  
Fort Morgan Airport Infrastructure  
Fort Morgan Community Hospital Foundation  
Fort Morgan Downtown Development  
Fort Morgan Infrastructure  
Morgan Community College Nursing Lab & ABE Program  
Morgan County Economic Development

### Phillips County

Haxtun Hospital District Foundation  
Phillips County Adult Education Job Training  
Phillips County Community Building  
Phillips County Economic Development  
Phillips County Healthcare Foundation

### Sedgwick County

Gateway Medical Foundation  
Hippodrome Arts Center  
Sedgwick County Economic Development

### Washington County

Akron/Washington County Sports Complex  
Washington County Economic Development  
Washington County Events Center  
Washington County Nursing Home

### Yuma County

Grassroots Foundation  
Homestead Memorial Foundation  
Hospice of the Plains  
Irrigation Research Foundation  
Renotta Health Care Systems, Inc.  
Rural Resource Center  
Wray Airport  
Wray Community District Hospital Foundation  
Wray Rehabilitation & Activities Center  
Yuma County Economic Development  
Yuma District Hospital Foundation