



LA PORTE URBAN ENTERPRISE ASSOCIATION
801 MICHIGAN AVENUE
LA PORTE, INDIANA 46350

February 2024

Dear Enterprise Zone Business:

It is that time of year for you to file the forms that enable your firm to use the tax-saving incentives offered through the La Porte Enterprise Zone. Enclosed is a set of forms you will need to file for any of the enterprise zone tax incentives used in 2023. Also, enclosed is information describing filing deadlines along with a map of the enterprise zone.

Form EZ-2 (Enterprise Zone Investment Deduction Application) is an investment deduction on new real and personal property. It provides a ten-year deduction on all new real and personal property in the enterprise zone. The real estate deduction **requires** approval by the county auditor and the deduction is only on the increased value of the property. If a business elects to take the Enterprise Zone Investment Deduction (Form EZ-2) personal property tax deduction and that business is in an overlapping TIF (Tax Increment Financing District), the business must get approval from the City of LaPorte's City Council prior to submitting the form to the County Assessor.

Please note under "Instructions (2)" on the EZ-2 form, it indicates the form is to be filed between January 1 and May 15 of the assessment year with the county auditor.

The Loan Interest Credit has changed over the past five years. The credit is only available to lending institutions who had an outstanding qualified loan made before January 1, 2018. There is a ten-year period to use the credit. New loans are ineligible for this credit. This credit expires January 1, 2028.

The Employment Expense Credit is to be filed with your Indiana Department of Revenue tax return. If you are a zone business, you may apply for a 10% tax credit on your adjusted gross income tax for the increase in wages paid to qualified zone resident employees up to \$1,500 per employee. This tax credit can be carried forward for ten years or carried back for three years.

The Employee Income Tax Deduction is available for qualified employees of an enterprise zone business. The qualified employee is an individual who is employed by a taxpayer or a pass-through equity and whose principal place of residence is in the La

Porte Enterprise Zone where the employee is employed. The employee must perform services for the employer, at least 90% of which are related to the conduct of the taxpayer's business that is in the enterprise zone. The employee must perform at least 50% of their service for the taxpayer during the taxable year in the enterprise zone. The qualified employee is entitled to a deduction from their adjusted gross income equal to the lesser of:

- 50% of their adjusted gross income for the taxable year that the employee earns as a qualified employee; or
- \$7,500.

Here is a reminder that the EZB-R form (**Enterprise Zone Business Registration**) based on calendar year 2023 is to be filed with the La Porte Urban Enterprise Association. Please do not send it to the AIEZ. The registration fee of 1% if eligible needs to be paid to La Porte Urban Enterprise Association. The EZB-R and EZB-E are included with the business packet.

Please telephone Mary Ann Richards at 219-362-8260 or send an email to marichards@cityoflaportein.gov if you have any questions on the above information.

Sincerely,

LaPorte Urban Enterprise Association Board of Directors