What is the Enterprise Zone?

The McHenry County Enterprise Zone is a state designated area focused on economic development. Woodstock, a participating municipality, offers tailored incentives to attract new businesses and support expansions. The zone provides a range of tax incentives, fee reductions, and streamlined processes, making Woodstock an excellent location for commercial, industrial, and manufacturing ventures.



What we offer

Sales Tax Exemption

Building materials used for certified projects are exempt from 8.25% state and local sales tax, reducing construction costs. Certification from the Enterprise Zone Administrator is required to qualify.

Permit Fee Reduction

Woodstock provides a 50% reduction on all building-related permit fees for certified projects. This applies to permits for new construction, renovations, and expansions. It does not apply to fees associated with consultant costs or for minor maintenance work.

Woodstock School District 200 Tax Abatement

School District 200 offers an additional property tax abatement for non-residential projects: 50% on the new taxable value for Years 1-3 and 35% for Years 4-6, further reducing the tax burden on eligible businesses.

Property Tax Abatement

Woodstock provides property tax abatements on the increased value from new construction, renovation, or rehabilitation in its Enterprise Zone:

- Years 1-4: 100%
- Years 5-6: 50%
- Years 7-8: 25%

Available for commercial, industrial, and manufacturing properties. TIF district properties are not eligible.

Streamlined Permitting

Woodstock's streamlined permitting process accelerates project approvals, helping businesses start operations faster.

How to Apply

Visit mchenrycountyenterprisezone.com or speak with a city economic development representative to learn if your project qualifies and submit an application.





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info@<u>mchenrycountyenterprisezone.com</u> <u>mchenrycountyenterprisezone.com</u> <u>815-893-0895</u>

Application Process

The McHenry County Enterprise Zone provides incentives to eligible projects, including a sales tax exemption on building materials. To participate, project owners and subcontractors must complete separate applications and follow the outlined process.

1. Project Owner Application & Registration

- The project initiator/owner must complete the <u>Enterprise Zone application</u> and submit it to the Administrator.
- Once received, the project is registered with the Illinois Department of Revenue.
- A non-refundable Enterprise Zone project fee is required, calculated as ½ of 1% of the total building material costs, payable by check or credit card (card incurs a 3% processing fee).

2. Subcontractor Application

- Each subcontractor must complete the Subcontractor Enterprise Zone Application, available on the McHenry County Enterprise Zone website or upon request.
- The form must be submitted before purchasing any building materials to qualify for tax exemptions.
- Subcontractors do not pay a fee.

3. Building Materials (Sales Tax) Exemption Certificate (BMEC)

- Once subcontractor applications are received, the Enterprise Zone Administrator registers them with the Illinois Department of Revenue.
- The state issues a Building Materials Exemption Certificate (BMEC), which is then provided to the subcontractor.
- The subcontractor must retain a hard or digital copy of the certificate and present it at the point of purchase.
- It is the responsibility of the seller to validate the certificate's authenticity.

4. Project Closing & Reporting

- Upon project completion, the owner must submit a Project Closing Form summarizing the total project details.
- Some companies may require subcontractors to submit individual closing forms, which can also serve as status updates.

Important Notes

- Retroactive purchases do not qualify for sales tax exemption. Subcontractors must be registered before buying materials.
- The Enterprise Zone Administrator is available to assist with applications and ensure compliance with all requirements.

For further details or to request application forms, please contact the City of Woodstock's Economic Development Department or the McHenry County Enterprise Zone Administrator.





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