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## YUBA-SUTTER ENTERPRISE ZONE GRANTED FINAL DESIGNATION

The Yuba-Sutter Enterprise Zone (YSEZ) announced this week that the California Department of Housing and Community Development granted final designation to the zone for a 15-year period.

Businesses located in the YSEZ may be eligible to reduce their costs through state and local tax incentives designed to help companies maintain and expand their operations. For example, a business has the potential to earn \$37,440 or more in tax credits per qualified employee during a five-year period, which can make a significant impact to their bottom line.

Tax incentives offered by the program include:

- Hiring Tax Credit - offering employers the ability to claim a percentage of each qualified employee's wages for five years
- Sales or Use Tax Credit - offering employers the ability to claim an annual sales or use tax credit for qualified property purchased and used in the zone
- Business Expense Deduction - offering employers the ability to claim 40 percent of the eligible cost of qualified property as a business expense the first year it is in service
- Lender's Credit - Lenders may deduct the amount of net interest produced from a loan made to a zone business.

"The Enterprise Zone program represents an important partnership between businesses and the communities they serve in our state," said Craig Johnson, president of the California Association of Enterprise Zones (CAEZ). "Enterprise Zones help the people and the regions that are hardest hit in an economic downturn. The program provides the tools needed to stimulate economic growth in order to create jobs and keep people employed."

Research has shown that poverty decreased 7.35 percent more in Enterprise Zones than in the rest of California, while unemployment rates fell by 1.2 percent more and household incomes grew 7.1 percent faster in zones as compared to the rest of the state.

The YSEZ is one of 42 Enterprise Zones in the state established by the California Department of Housing and Community Development to encourage investment, growth, development and job creation in economically distressed areas, like Yuba and Sutter Counties. This is the second successful zone designation for the area, having been one of the first to be designated when the program began in 1986. The original designation expired on October 14, 2006. The YSEZ has continued to operate through its conditional designation since October 15, 2006. The new designation will continue until October 14, 2021. The Yuba-Sutter Enterprise Zone originally represented the Counties of Yuba and Sutter, and the cities of Marysville and Yuba City. The new designation has expanded the program to include the cities of Live Oak, and Wheatland.

For more information, visit [www.yubasutterez.com](http://www.yubasutterez.com) .