



# 3<sup>rd</sup> Street Plaza and Downtown Commercial District Revitalization: An Enterprise Zone Contribution Project

## What is an Enterprise Zone Contribution Project?

An Enterprise Zone Contribution Project is designated by the State as a project that meets the community’s economic development needs, results in job creation/retention or business expansion, and has the support of the community. The City of Victor “Historic Downtown Commercial District Revitalization Project” has been designated as Teller County’s 1st Enterprise Zone Contribution Project! The project includes rehabilitation of the 3<sup>rd</sup> Street Plaza and could also include benches and planters and other improvements to benefit Victor’s Downtown Rehabilitation.

## About Enterprise Zones

In 1986, the Colorado legislature created Enterprise Zones as a way to assist businesses and non-profit organizations located in economically depressed areas throughout the state. This legislation makes it possible for the City of Victor to offer its donors a 25% Colorado state income tax credit on cash contributions and a 12.5% tax credit for in-kind contributions such as stocks, real estate or professional services provided. The following is one example of what can happen by investing your state tax liability into local projects.

### For Example:

<i>You have a Colorado State Tax Liability of.....</i>	<i>\$5,000.00</i>
<i>You make Contributions to the Local EZone Project.....</i>	<i>\$10,000.00</i>
<i>You will receive a 25% State Tax Credit of.....</i>	<i>(\$2,500.00)</i>
<i>Your Net Tax Benefit from Schedule A of your Federal Return allows</i>	
<i>    you a State Deduction of 4.63% which is.....</i>	<i>(\$463.00)</i>
<i>Leaving you a Net Colorado Liability of.....</i>	<i>\$2,037.00</i>
 <i>You receive an additional Federal Benefit from Schedule A</i>	
<i>    for your Contribution Deduction of .....</i>	<i>\$10,000.00</i>
<i>Multiplied by the Federal Tax Rate of.....</i>	<i>28%</i>
<i>Which gives you a Net Federal Tax Benefit of.....</i>	<i>\$2,800.00</i>
 <i>Your Total Contribution of.....</i>	
<i>Gives you a reduction of Colorado State Tax Liability in the amount of .....</i>	<i>(\$2,963.00)</i>
<i>And a reduction of your Federal Tax Liability in the amount of.....</i>	<i>(\$2,800.00)</i>
<i>The Net Cost of your \$10,000 contribution to the local EZone project</i>	
<i>    as a Taxpayer is.....</i>	<i>\$4,237.00</i>



### **The Process:**

Contributors should make checks payable to “Enterprise Zone” with the project name (Victor Downtown Revitalization Project) in the memo line, and send it to the City of Victor, City Administrator:

**Debra Downs, City Administrator  
City of Victor  
PO Box 86  
Victor, CO 80860**

The City will forward your contribution, once we determine eligibility, to the Pikes Peak Enterprise Zone Administrator who will provide you with the tax form you need. For more information, please **contact your own tax preparer** for specific benefits to your individual contribution. Gifts of in-kind professional services, real property or stock may also qualify for tax credits.

- A Colorado taxpayer (individual or business) can make a donation to any approved Enterprise Zone Contribution Project. Provide the Enterprise Zone Contribution Project with your Colorado Account Number or the last 4 digits of your Social Security Number.
- The taxpayer may claim the tax credit when filing one's state income taxes - review the Colorado Department of Revenue Form DR1366.
- Contact the City of Victor or the Pikes Peak Economic Zone Administrator with questions.

### **Contact Us**

For more information, please go to <http://www.advancecolorado.com/funding-incentives/incentives/enterprise-zone-tax-credits/enterprise-zone-contribution-projects> or contact **Deb Downs at the City of Victor (719-689-5641) or Pikes Peak Enterprise Zone (El Paso and Teller Counties), Sara Lobato, - El Paso County – Economic Development Division, 200 South Cascade, Suite 150, Colorado Springs, CO 80903, 719.520.6480 or [saralobato@elpasoco.com](mailto:saralobato@elpasoco.com).**

Please consider making a contribution to the City of Victor Downtown Revitalization Project on or before December 31<sup>st</sup> of any year. Any tax credit not used in the current year can be carried forward.