

# TEXAS ENTERPRISE ZONE PROGRAM

Under the statewide cap of 105 projects per biennium, a community with less than 250,000 in population, may have up to six enterprise projects. A community with 250,000 in population or greater may have up to nine enterprise projects.

Upon a community designating a business as an enterprise project, and upon that project's designation being approved by the state, the business would be eligible for the following incentives:

## State Sales and Use Tax Refunds

An enterprise project is eligible for a refund for all state sales and use taxes paid and used at the qualified business site. The total amount of any refund will continue to be predicated on investment amount and number of jobs created/retained.

The refund for each designation can be an amount ranging from a minimum of \$2,500 per job to a maximum of \$7,500 per job as follows:

1. Half Enterprise Project: If project investment amount is greater than \$40,000 and equal to \$5 million or more, then refund amount is \$2,500 per job up to a maximum of 250 jobs created/retained. Maximum refund available is \$625,000;
2. Enterprise Project: If project investment amount is equal to or greater than \$5 million or more, then refund amount is \$2,500 per job up to a maximum of 500 jobs created/retained;
3. Double Jumbo Enterprise Project: If project investment amount is equal to or greater than \$150 million and less than \$250 million, then refund amount is \$5,000 per job up to a maximum of 500 jobs created;
4. Triple Jumbo Enterprise Project: If project investment amount is equal to or greater than \$250 million, then refund amount is \$7,500 per job up to a minimum of 500 jobs created. Maximum refund available is \$3.75 million.

Receipts for purchases of building materials and machinery and equipment and payroll information are required to be retained as part of the audit process. *(Note: All contracts should separate the costs for building materials and/or equipment from the costs of labor and services in order to be eligible.)*

The refund for sales and use tax must be for all eligible items for use at the qualified business site. For more information, visit <https://gov.texas.gov/business/page/texas-enterprise-zone-program>.