



## State of Colorado Business Support and Incentive Opportunities

### Job Training and Recruitment

- *Colorado FIRST customized training grants* are offered and funded by the State of Colorado to support the creation of new jobs by new and existing Colorado companies. Training is developed and delivered according to a client company's specific needs and may be provided by trainers of the company's choosing. *Existing Industry training grants* aid in upgrading skills of employees in existing Colorado companies to keep pace with significant technological change. The Colorado Office of Business Development and the Colorado community college system jointly administer both job-training programs.

### State Economic Development Grants

- *The Colorado Economic Development Commission* receives an annual appropriation of funds for economic development incentive projects, among other purposes. Funds are sometimes used for *short-term, low interest loans, interest rate subsidies or grants* for job-creation projects. Local matching funds and a complete financial analysis of the company are required. The Aurora Economic Development Council coordinates participation through the Colorado Office of Economic Development.

### State Financing Programs

- Financing for manufacturing projects of up to \$10 million is available through *private activity bonds*. Interest rates are based on the credit-worthiness of a company, but are usually lower than conventional rates due to the tax-exempt nature of the income of the bonds to bondholders.
- *Seed-and very early-stage venture capital funds*, ranging between \$250,000 and \$3,375,000, are available to qualifying Colorado small businesses in a pre-revenue stage through *Colorado's Venture Capital Authority (VCA)*. The VCA's designated fund manager determines the types of investments it will consider, conducts due diligence on prospective companies, negotiates funding terms and provides continuous, board-level guidance to the management of funded companies.
- *Certified capital companies (CAPCO's)* provide *early stage financing for operating, revenue-generating Colorado small businesses*. Six CAPCO's draw on Colorado's \$100 million funding pool to provide debt, equity or combination financing to selected small businesses. CAPCO's may fund a business up to 15% of the funds the CAPCO has available.

## State Tax Advantages

- Purchases of machinery, machine tools or machine parts in excess of \$500 in a calendar year by a manufacturing firm for use in the manufacture of tangible personal property are *exempt from the 2.9 percent state sales and use tax* statewide.
- Purchases of component parts, fuels and electric energy used in manufacturing; packaging materials; interstate long distance telephone use; aircraft parts used in general maintenance; and ink and newsprint are *exempt from the 2.9 percent state sales and use tax* statewide.
- Purchases of equipment used in biotech research and development are subject to *refunds of the 2.9 percent state sales and use tax* statewide.
- Colorado's *personal property tax rebate* allows corporate taxpayers to take a credit of \$500 (or actual amount paid if less than \$500) on Colorado income taxes for local personal property taxes paid. If tax liability is over \$500, an additional credit of 13.3 percent of personal property tax is allowed. Both credits are contingent on a state surplus in a given fiscal year.
- Aircraft or aircraft parts manufacturers located within designated Aviation Development Zones can claim a \$1,200 tax credit against Colorado income taxes for each new full-time employee. Companies must employ at least 10 full-time employees to be eligible.

## Enterprise Zone Tax Credits and Exemptions

Enterprise zones are targeted geographic areas where state tax credits can be applied to new business investment, job expansion and private funding of public infrastructure improvements. Enterprise zone benefits include:

### *Employer tax credits*

- \$200 per employee tax credit, for two years, for employer-sponsored health insurance programs
- Tax credit of 10% of expenditures for job training and school-to-work programs
- \$500 per employee tax credit or refund for new and expanding business facilities
- An additional credit of \$500 per new business facility employee may be claimed by companies which add value to agricultural commodities through manufacturing or processing
- Insurance companies, which pay a premium tax instead of an income tax, may claim enterprise zone tax credits to the same extent of other corporations

### *Plant and equipment tax credits*

- 3% investment tax credit for investments in equipment
- 3% tax credit for qualified expenditures in research and development
- State sales tax exemption for purchases of manufacturing and mining equipment
- Tax credit of 25% of expenditures to rehabilitate vacant buildings

*Contribution tax credits*

Tax credits of 25% for private contributions and 12.5% for in-kind donations to eligible enterprise zone development projects including business assistance, job training, economic development marketing, community development, and homeless organizations.

For more information contact the Aurora Economic Development Council at 303.340.2101 or [info@auroraedc.com](mailto:info@auroraedc.com).