

The City of Clarksburg is proud to announce our new B & O Tax Incentive Ordinance that can save new and expanding businesses tax money for up to three years.

How it Works :

To be eligible for the tax credit, a business must open after July 18, 1996 in selected areas of the City, or expand an existing business anywhere in Clarksburg after that date.

New businesses, if qualified, will receive a B & O Tax credit for a percentage of the upcoming three years gross receipts according to Table 1.

Expanding businesses, if qualified, will receive the listed percentage of the incremental difference between gross receipts of the year prior to, and the three years following the business expansion.

For instance, a business making \$10,000 / year in the Central Business District expands, and applies for the City's tax credit program. The business then makes \$50,000 / year for the next three years. For the first year after expansion, the business would only have to pay B & O Tax on \$10,000(100% credit on the difference between year before expansion and first year after expansion). The second year's B & O Tax would be on \$20,000 (75% credit on the difference between year before expansion and second year after expansion), and B & O Tax in the third year would be on \$30,000 (50% credit on the difference between year prior to expansion and third year after expansion).

Some new and all expanding businesses need to meet minimum qualified investment amounts to be eligible for the credit. Different areas of the City will provide different tax credits over three years, and need different levels of investment to receive the tax credits.

Qualified Investment :

New Businesses

New businesses in the Central Business District (CBD), Glen Elk #1, Glen Elk #2, and the Montpelier Addition do not need to meet a minimum qualified investment amount.

New Businesses locating in the Business &

Table 1.

New Businesses

Location	Tax Credit Year 1	Tax Credit Year 2	Tax Credit Year 3
Central Business District	100%	75%	50%
CBD Professional Service Businesses	50%	25%	0%
Glen Elk #1	100%	75%	50%
Glen Elk #1 Professional Service Businesses	50%	25%	0%
Business & Technology Centre (\$225,000 qualified invest. & 15 jobs)	100%	75%	50%
Glen Elk #2	50%	25%	0%
Montpelier Addition Commercial Area	50%	25%	0%
I-2 Zones (\$225,000 qualified invest. and 5 jobs)	50%	25%	0%
Annexed Businesses	100%	75%	25%

Expanded Businesses

Location	% of incremental increase between year prior to expansion and years after expansion		
	Year 1	Year 2	Year 3
Central Business District (\$10,000 qualified invest.)	100%	75%	50%
I-2 Zones (\$25,000 qualified invest. and 5 new jobs)	50%	25%	0%
Glen Elk #1 (\$10,000 qualified invest.)	100%	75%	50%
Glen Elk #2 (100,000 qualified Invest. and 5 new jobs)	50%	25%	0%
Business & Technology Centre (Creation of 10 new jobs)	75%	75%	25%
All Other City Businesses	75%	25%	0%

(Qualified Investment Cont.)

Technology Centre and Industrial (I-2) areas will need to invest a minimum of \$225,000 and create a minimum number of jobs. Fifteen jobs for businesses in the Business & Technology Centre and five jobs for businesses in I-2 industrial areas.

Expanding Businesses

Business expansion can consist of increasing inventory, purchasing real property to enlarge, or renovating and modernizing business property (except exterior).

The amount of qualified investment needed to receive the tax incentive is different for different areas of the City.

In the Central Business District, Glen Elk #1, and Montpelier Addition the qualified investment needed is at least \$10,000.

In Glen Elk #2 an investment of at least \$100,000 and the creation of five new jobs is needed.

Businesses in the Business & Technology Centre must expand by creating ten additional full-time jobs to be eligible for the credit.

Businesses in the rest of the city can take advantage of this tax incentive program by making an investment of at least \$100,000 toward business expansion.

Maximum Tax Credit :

New and expanding businesses in the CBD, Glen Elk #1, Glen Elk #2, and Montpelier areas of the City will be able to get B & O Tax credits for up to a maximum of \$50,000 over the three year program.

New and expanding businesses locating in the Business & Technology Centre will be able to get \$100,000 in tax credits over the three year program. Also, any expanding business in the Clarksburg City limits (outside of the above highlighted areas), that qualifies for the tax credit, will get up to a maximum of \$100,000 over the three year program. Annexed businesses can receive a maximum of \$50,000 in tax credits over the upcoming three year period.

Fire / Flood Damage :

A special one year, one time tax credit is offered to businesses damaged by fire or flood where the damage is greater than 50% of the fair market value of the real and personal property of the business. If the business elects to reopen, the credit is equal to 50% of the B & O Taxes owed for each quarter in the first year after the business is reopened.

Eligible Businesses :

No application for a tax credit will be considered and no credit will be otherwise granted to any existing business who, at the time the application is submitted, is delinquent in the payment of City Business and Occupation taxes.

Home-based businesses, financial institutions, public utilities, the local cable company, and owners of residential rental property, including multi-family apartment units, are excluded from this tax credit program.

Once a business is granted a tax credit under this program, the business would not be eligible for another tax credit for at least five years from date the initial credit was granted.

For more information contact :

The Clarksburg Finance Department at
Phone : (304) 624-1650

OR

Clarksburg's Department of Community
and Economic Development at
Phone : (304) 624-1683

OR

Visit Clarksburg's World Wide Web
Page at

<http://www.cityofclarksburgwv.com>

Clarksburg City Hall
222 West Main Street
Clarksburg, WV 26301

CLARKSBURG

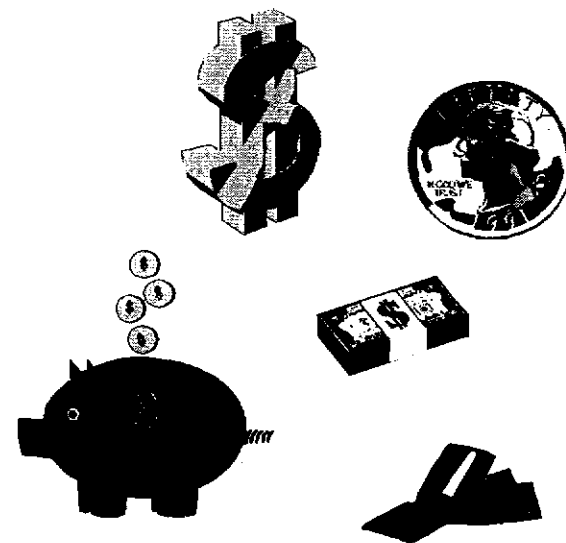
WEST VIRGINIA

SETTING THE P.A.C.E.

"Positive Attitudes Change Everything"

City of Clarksburg's

Business and Occupation Tax Incentive Program



For New and Expanding Businesses