



# Job Growth Incentive Tax Credit (JGITC) Fact Sheet

## Purpose

JGITC is a performance-based job creation incentive program – businesses must create and maintain permanent net new jobs for one year before receiving credit. More generally, the Colorado Office of Economic Development and International Trade (OEDIT) supports recruitment, retention and economic growth throughout the state, offering a variety of financial resources including financing programs, incentives, grants and tax credits.

## Program Description

- The Job Growth Incentive Tax Credit (JGITC) provides a state income tax credit equal to 50% of FICA paid by the business on the net job growth for each calendar year in the credit period.
- A business must undertake a job creation project for which Colorado is competing with at least one other state for the project.
- The JGITC credit must be a major factor in the business decision to locate or retain the project in Colorado. The project must meet certain requirements under the Colorado Economic Development Commission's (EDC) Job Growth Incentive Tax Credit Program.
- A business may not start or announce the proposed project in Colorado (including locating or expanding in the state, hiring employees related to this project or making material expenditures for this project) until a final application has been submitted to the EDC and approved.

## Requirements/Eligibility Rules

- The incentive request must be approved by the EDC.
- Businesses have to create at least 20 net new jobs (full-time equivalents) in Colorado during the credit period with an average yearly wage of at least 100% of the county average wage rate based on where the business is located when compared to the county average wage rate.
- A business located in an Enhanced Rural Enterprise Zone has to create at least 5 net new jobs (full-time equivalents) in Colorado during the credit period with an average yearly wage of at least 100% of the county average wage based on where the business is located.
- The credit period is 96 consecutive months where the business may claim an annual tax credit.
- All net new jobs must be maintained for at least one year after the positions are hired.
- Businesses already receiving an incentive from the EDC's Strategic Fund may not receive an incentive from the EDC's JGITC Program for the same net new full-time permanent jobs.

## Other Program Elements

If the issued tax credits exceed the taxpayer's income tax for the income tax year in which the credit is being claimed, the amount of the unused tax credit shall not be allowed as a refund, but may be carried forward and applied in each of the 10 succeeding income tax years (must be applied to the earliest tax return possible). Colorado Revised Statutes: 39-22-531.

## Application Process

Business interested in requesting a JGITC commitment should work with their local economic development representative and contact OEDIT Global Business Development Staff to preliminarily determine if the business meets the requirements. (303-892-3840 or [michelle.hadwiger@state.co.us](mailto:michelle.hadwiger@state.co.us))

The fact that an application meets all of the program's general policy guidelines does not mean that the project will necessarily be approved. The Colorado Economic Development Commission reserves the right to approve, deny or vary from these guidelines as necessary and appropriate and delay any decision due to budgetary constraints.

If it takes longer for the business to create the net new jobs than originally projected, the Conditional Approval document will stay in effect for the remaining years in the credit period. Businesses will not be able to go back retroactively to request tax credits but can request tax credits for the remaining years once the minimum requirements have been met.

Learn more at [www.advancecolorado.com/incentives](http://www.advancecolorado.com/incentives)

