

# WELD COUNTY PERSONAL PROPERTY TAX REFUND INCENTIVE

## **SUMMARY**

Colorado has passed legislation that enables counties and municipalities, on a case-by-case basis, to negotiate a refund of up to 100% of the governing jurisdiction's levy on new taxable personal property (equipment) used in connection with the operation of a qualifying new/expanding primary sector business facility. Colorado limits this incentive to ten years.

On a case-by-case basis, Weld County and municipalities throughout the County, will typically consider refunding up to 50% of new personal property tax to new/expanding primary sector businesses that meet state/local eligibility requirements.

## **COLORADO & WELD COUNTY TAXPAYER ELIGIBILITY REQUIREMENTS**

- 1). The taxpayer must qualify as a "New Business Facility (NBF)" defined as: a new or expanded facility that is employed by the taxpayer in the operation of a revenue producing enterprise. An existing company may qualify as a NBF (as referenced by C.R.S. 30-11-123) by undertaking an expansion that exceeds \$1 million; or if less, 100% of its investment in the original facility prior to expansion. A replacement facility may qualify if the taxpayer's investment exceeds \$3 million; or if less, 300% of the investment in the old facility.
- 2). The eligible business shall not include any corporate reorganization, sale of an existing business, or resumption of business activities unless new investment is created.
- 3.) The businesses taxable personal property must be located at/within such "NBF" or directly attributable to the expansion of an existing business facility, and used in connection with such facility for the current property tax year.
- 4). An eligible business shall derive at least 50% of its principal source of gross annual income from the sale of products/services consumed outside of Weld County either directly or indirectly, and shall not derive more than 25% of gross annual income from direct retail sales or other internally directed sales. The program intent is to assist primary sector firms engaged in manufacturing, processing, research & development, etc. and provision of externally directed services.
- 5). An eligible business shall make a minimum new personal property investment of at least \$1 million in the eligible NBF.
- 6). The Weld County maximum refund award is \$20,000/new job created/retained and at least 50% of the eligible company's workforce must be Weld County residents. The intent of these guidelines is to assist new/expanding primary sector businesses that are creating jobs for Weld County residents.

## **APPLICATION PROCEDURES**

Contact Upstate Colorado Economic Development for additional program information, to determine eligibility and for assistance in requesting this incentive. In determining tax refund awards, total project impacts including investment, job creation, wage rates, etc. will all be taken into consideration by the governing jurisdictions.



Supporting Job Opportunities in Greeley & Weld County Communities

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## **WELD COUNTY**

### **PERSONAL PROPERTY TAX INCENTIVE REFUND PROCEDURES**

#### **PROGRAM HIGHLIGHTS**

Pursuant to C.R.S. §30-11-23: to be eligible for the personal property tax refund program the taxpayer must: 1) qualify as a "New Business Facility (NBF)"; 2) make a new equipment investment of at least \$1 million in Year 1; 3) be approved by the Weld County Commissioners; 4) document that all personal property tax/assessments levied on the company are 100% paid/current. The maximum Weld refund is \$20,000/new job created/retained and at least 50% of company employees must be Weld residents (see Personal Property Tax Refund Program Incentive overview for additional eligibility requirements).

Please Note: Awarded refunds are 50% of Weld County's portion of tax paid on new personal property (equipment) first put into operation in the eligible NBF in Year 1; for a total of up to ten years. Additional equipment investments made in years 2-10 are not part of the original agreement. To receive tax refunds for additional equipment investments, the company would need to again meet program guidelines and receive approval from the Weld County Commissioners. This incentive is not retroactive.

#### **REFUND INSTRUCTIONS**

1. A written request for this incentive must be made to Weld County prior to the year the property is first put into operation in Year 1 at the eligible NBF. This request should summarize the project impacts including real and personal property investment, job creation/retention, wage rates, Weld employment, etc. Contact Upstate Colorado Economic Development for assistance with this request.
2. Companies awarded a personal property tax refund will enter into an agreement with Weld County government (see attached sample County agreement).
3. All personal property tax/assessments levied on the taxpayer for the eligible facility must first be 100% paid/current prior to applying for a refund.
4. Each year of the 10 year agreement the company must provide a letter to the Weld County Director of Administrative Services (see County agreement) requesting the refund and stating their continued eligibility by providing the following information (see attached sample letter):
  - a. Copy of the current Weld Personal Property Tax Notice and verification that all personal property tax/assessments are 100% paid/current;
  - b. Certify the cost of the eligible personal property by providing an itemized list that includes: a brief description of each piece of eligible equipment, the year acquired the original cost and confirmation that the equipment is being utilized at the facility.
  - c. Company's current Weld employment and percentage of employees that live in Weld County.
  - d. Refund request must be made by October 1<sup>st</sup> of each year.
5. Upon qualification by Weld County the refund will generally be forwarded within 90 days.



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ECONOMIC DEVELOPMENT

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