



## FRANKLIN PARK ENTERPRISE ZONE PROJECT APPLICATION INSTRUCTIONS

*Under the Illinois Enterprise Zone Act (20 ILCS 655/), the Village of Franklin Park was approved for designation of an Enterprise Zone, effective January 1 of 2016. Real estate qualifying for incentives under this Enterprise Zone must be located within the Village of Franklin Park municipal boundary. Only commercial and industrial properties will be eligible to receive incentives.*

The Enterprise Zone Project Application must be fully completed by the applicant and certified by the Franklin Park Zone Administrator and corresponding Building Materials Exemption Certificates (BMEC) must be issued by the Illinois Department of Revenue (IDOR) before a project is eligible for the 10.00% sales tax exemption on building materials. Each contractor who will be purchasing materials must complete a **FORM B: BUILDING MATERIALS EXEMPTION (BMEC) APPLICATION**. Do not order or purchase building materials before a BMEC is issued by the IDOR. Applications with missing information will not be accepted and will not initiate the application process.

### ENTERPRISE ZONE PROJECT CHECK LIST

- Building Permit Application(s) or approved Building Permit(s)
- One master **FORM A: PROJECT APPLICATION**
- One **FORM B: BUILDING MATERIALS EXEMPTION CERTIFICATE (BMEC) APPLICATION** for each contractor that will be purchasing building materials using the sales tax exemption
- Enterprise Zone fee [Fee = (Cost of building materials) x (.005), not to exceed \$50,000] payable to the Village of Franklin Park

### ENTERPRISE ZONE PROJECT PROCESS

- 1) Project lead submits to the Zone Administrator a completed Enterprise Zone Project Application containing one **FORM A** and at least one **FORM B**. Each contractor purchasing building materials State sales tax exempt must submit a **FORM B**. Additional **FORM Bs** for the same project may be submitted at a later date. It is recommended to apply at least 7 days in advance of the planned date to order or purchase materials.
- 2) Zone Administrator approves qualified projects and submits BMEC application to the Illinois Department of Revenue (IDOR) on behalf of each **FORM B** applicant.
- 3) The Illinois Department of Revenue (IDOR) issues a BMEC to the **FORM B** applicant by email.
- 4) At point of purchase, the BMEC holder presents to seller a valid BMEC and provides to seller a completed **EZ-1** form.
- 5) The seller applies a 10.00% sales tax exemption at point of purchase.
- 6) The seller verifies that the certificate holder's BMEC number is valid and active at [tax.illinois.gov](http://tax.illinois.gov) and keeps **EZ-1** form on file.
- 7) By State law, all participating BMEC holders, participating building materials sellers and benefitting businesses must file a report for each calendar year no later than May 31st of the following year at [tax.illinois.gov/businesses/incentives/](http://tax.illinois.gov/businesses/incentives/).

If you have any questions in completing this application, contact:  
Franklin Park Enterprise Zone Administrator  
9500 Belmont Avenue, Franklin Park, Illinois 60131  
[radriatico@vofp.com](mailto:radriatico@vofp.com) | (847) 671-8276 | [www.vofp.com](http://www.vofp.com)

## ENTERPRISE ZONE PROJECT Q & A

### **What qualifies as "building materials" eligible for sales tax deduction?**

Building materials that are eligible for the sales tax deduction include items that are permanently affixed to real property such as lumber, mortar, glued-down carpets, paint, wallpaper, and similar affixed items. Only building materials purchased within the State of Illinois through a legitimate building materials retailer or distributor is subject to the sales tax exemption.

### **Do all retailers offer a point of sale exemption?**

No. Retailers are not required by law to participate. The purchaser must ask the retailer for cooperation on this incentive. Retailers have, however, demonstrated good cooperation throughout the history of this program, as this incentive permits them to give customers a "break" without cost to themselves.

### **How does an applicant access the Building Materials Exemption Certificate (BMEC) once it is issued?**

The Illinois Department of Revenue (IDOR) will send a message to the email address submitted on the FORM B application with a link. The applicant can access the exemption certificate by clicking on the link in the email message and following the directions provided.

### **Does a contractor or other entity purchasing exempt building materials need to apply for and receive a separate certificate each time it wants to make an exempt purchase?**

No. Each BMEC allows the contractor or entity identified on the certificate to make unlimited purchases of eligible building materials for the project identified on the certificate until the expiration date identified on the certificate. However, each time building materials are purchased, the purchaser must leave with the seller a completed **EZ-1** form, identifying what was purchased, who made the purchase, for what project the purchase was made, and the purchaser's exemption certificate number.

### **Who should be issued a Building Materials Exemption Certificate (BMEC) for a project that does not use contractors?**

BMECs should be applied for and issued to the entity that will be making purchases of exempt materials, whether contractor or other entity. The certificate holder is responsible for ensuring that the certificate is used only to make qualified purchases.

### **Can a contractor or other entity use the same certificate to purchase materials for multiple projects?**

No. Each certificate is unique to that project. It cannot be used for any other project and can only be used for the project for which it was issued.

### **What are the penalties for misuse of a BMEC?**

BMEC holders are responsible for ensuring that their certificates are used only to make qualified purchases. A certificate holder who uses the certificate or allows it to be used to improperly avoid tax will be assessed taxes and penalties on the purchase, an additional monetary penalty equal to the state and local sales taxes on the purchase, and may be barred from securing additional certificates.

### **For how long is a certificate valid?**

Certificates are valid for a maximum of 2 years. The exact expiration date of each certificate will vary and is based upon the expected project completion date provided at the time the application is submitted.

### **Am I able to use the certificate up to and including the date of expiration?**

No. The expiration date on the certificate is the date the certificate is no longer valid.

### **Do I need a new certificate if the original is expired, but my project is not complete?**

Yes. If your Building Materials Exemption Certificate is set to expire before your project is complete, you must seek a renewal through the Zone Administrator project manager who submitted your original application.

*All state incentives are pursuant to the State of Illinois Enterprise Zone Act (20 ILCS 655/): Sales Tax Exemption (35 ILCS 120/5k) (from Ch. 120, par. 444k); Enterprise Zone Machinery and Equipment Consumables/Pollution Control Facilities Sales Tax Exemption (35 ILCS 120/1) (from Ch. 120, par. 440); Enterprise Zone Utility Tax Exemption (220 ILCS 5/9-222.1) (from Ch. 111 2/3, par. 9-222.1); Enterprise Zone Investment Tax Credit (35 ILCS 5/201) (from Ch. 120, par. 2-201).*

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Franklin Park Enterprise Zone Administrator  
9500 Belmont Avenue, Franklin Park, Illinois 60131  
radiatico@vofp.com | (847) 671-8276 | www.vofp.com

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# FRANKLIN PARK ENTERPRISE ZONE

## FORM A: PROJECT APPLICATION

PROJECT #

WILL BE ISSUED BY EZ ADMINISTRATOR

ENTERPRISE ZONE BUSINESS NAME

PROJECT ADDRESS

PERSON OF CONTACT

PERSON OF CONTACT EMAIL

PERSON OF CONTACT BUSINESS PHONE

PERSON OF CONTACT CELL PHONE

PERSON OF CONTACT ADDRESS

**BUSINESS OWNER** *(if different than person of contact)*

BUSINESS OWNER EMAIL

BUSINESS OWNER PHONE

BUSINESS OWNER CELL PHONE

BUSINESS OWNER ADDRESS

BUSINESS DESCRIPTION

NAICS CODE NUMBER

(NAICS codes are the classification system for economic statistics classified by industry. Find your industry code by visiting [naics.com/search.htm](http://naics.com/search.htm).)

### ESTIMATED COST OF PROJECT

1) REMODELING COST

\$

2) NEW CONSTRUCTION COST

\$

3) BUILDING MATERIAL COST

\$

4) CAPITAL EQUIPMENT COST

\$

5) SITE COST (PURCHASE AND PREPARATION)

\$



## FRANKLIN PARK ENTERPRISE ZONE FORM A: PROJECT APPLICATION

**PROJECT**

PROJECT DESCRIPTION

DOES THIS PROJECT INVOLVE A MOVE FROM ANOTHER LOCATION?

YES  NO

IF YES, INDICATE CITY AND STATE OF PREVIOUS LOCATION

**JOBS**

CURRENT NUMBER OF FULL-TIME EQUIVALENT JOBS

(Full-time equivalent jobs are calculated by dividing the total number of hours worked by persons at the project site, whether salaried or hourly, by 1,820 hours.)

JOBS RETAINED DUE TO PROJECT AND CERTIFIED BY DCEO

JOBS CREATED WITHIN ONE YEAR DUE TO PROJECT

CONSTRUCTION JOBS AT SITE

FEDERAL EMPLOYER IDENTIFICATION NUMBER (FEIN)

ILLINOIS UNEMPLOYMENT INSURANCE NUMBER

SIGNATURE

\_\_\_\_\_

PROJECT REPRESENTATIVEDATE

**NOTE:** A copy of the approved Building Permit, parcel number or copy of deed, and the application fee must accompany application before project will be approved to go forward with Sales Tax Application to the Illinois Department of Revenue.

**TO BE FILLED IN BY ENTERPRISE ZONE ADMINISTRATOR**

PIN(S)

BUILDING PERMIT NUMBER

BUILDING PERMIT DATE

BUILDING MATERIAL COST (#3)

\$

ENTERPRISE ZONE FEE (#3 \* .005, not to exceed \$50,000)

\$

PROJECT APPROVAL

APPROVED  DENIED

SIGNATURE OF ZONING ADMINISTRATOR

DATE

## FRANKLIN PARK ENTERPRISE ZONE

### FORM B: BUILDING MATERIALS EXEMPTION CERTIFICATE (BMEC) APPLICATION INSTRUCTIONS

If you have a contract or are going to be providing building materials for a project located within the Franklin Park Enterprise Zone, you must complete a FORM B: BUILDING MATERIALS EXEMPTION CERTIFICATE (BMEC) APPLICATION for submission to the Illinois Department of Revenue (IDOR). **Do not order or purchase building materials before your BMEC is issued and emailed to you by IDOR.** Each project contractor must have his or her own BMEC issued by IDOR.

#### NOTES ON REQUIRED FIELDS

ENTERPRISE ZONE BUSINESS NAME	This is where you will be using the building materials.																
CONTRACTOR BUSINESS ADDRESS	PO Box address are not permitted.																
CONTRACTOR EMAIL	This is where IDOR will email your BMEC when issued.																
CONTRACTOR BUSINESS PHONE	Both a landline and cell phone number must be provided.																
CONTRACTOR'S COMPLETION DATE	This is the estimated date your portion of the project will be finished purchasing and/or ordering materials for your portion of the project. Please allow yourself a bit of overage time as weather and delays can change when you expect to be complete.																
PERCENTAGE OF CONTRACT FOR QUALIFYING BUILDING MATERIALS	You may estimate the purchase of building materials as a percent of your total contract. An estimate of 50% of the total contract is standard, but adjust based on your expert knowledge.																
	<table border="0"> <tr> <td>EXAMPLE:</td> <td>CONTRACT AMOUNT</td> <td>\$100,000</td> <td></td> </tr> <tr> <td></td> <td>% OF CONTRACT FOR QUALIFYING BUILDING MATERIALS</td> <td>50%</td> <td></td> </tr> <tr> <td></td> <td>ESTIMATED AMOUNT OF BUILDING MATERIALS FOR THIS CONTRACT</td> <td>\$50,000</td> <td>(\$100,000 * .5)</td> </tr> <tr> <td></td> <td>ESTIMATED AMOUNT OF SALES TAX EXEMPTION (10.00% EXEMPTION)</td> <td>\$5,000</td> <td>(\$50,000 * .1)</td> </tr> </table>	EXAMPLE:	CONTRACT AMOUNT	\$100,000			% OF CONTRACT FOR QUALIFYING BUILDING MATERIALS	50%			ESTIMATED AMOUNT OF BUILDING MATERIALS FOR THIS CONTRACT	\$50,000	(\$100,000 * .5)		ESTIMATED AMOUNT OF SALES TAX EXEMPTION (10.00% EXEMPTION)	\$5,000	(\$50,000 * .1)
EXAMPLE:	CONTRACT AMOUNT	\$100,000															
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	ESTIMATED AMOUNT OF BUILDING MATERIALS FOR THIS CONTRACT	\$50,000	(\$100,000 * .5)														
	ESTIMATED AMOUNT OF SALES TAX EXEMPTION (10.00% EXEMPTION)	\$5,000	(\$50,000 * .1)														
CONTRACTOR FEIN # OR APPLICANT ID	If you do not have a FEIN number, you will need to apply for an Applicant ID before submitting this application. Apply for an Applicant ID at <a href="http://www.revenue.state.il.us/app/ezci/SessionNotice.html">www.revenue.state.il.us/app/ezci/SessionNotice.html</a> .																
CERTIFICATION START DATE	This will be issued to you by the Zoning Administrator. No BMECs will be issued before this date. This is the date the project application is approved by the Zoning Administrator.																

#### BMEC PROCESS FOR CONTRACTORS/PURCHASERS

- 1) Each contractor purchasing building materials State sales tax exempt must submit a **FORM B**. It is recommended to apply at least 7 days in advance of the planned date to order or purchase materials.
- 2) Zone Administrator submits BMEC application to the Illinois Department of Revenue (IDOR) on behalf of the **FORM B** applicant.
- 3) The Illinois Department of Revenue (IDOR) issues a BMEC to the **FORM B** applicant by email.
- 4) At point of purchase, the BMEC holder presents to seller a valid BMEC and provides to seller a completed **EZ-1** form and a 10.00% sales tax exemption is applied.
- 5) The seller verifies that the certificate holder's BMEC number is valid and active at [tax.illinois.gov](http://tax.illinois.gov) and keeps **EZ-1** form on file.
- 6) **By State law, BMEC holders must report the final value of purchases made using each BMEC certificate at [tax.illinois.gov/businesses/incentives](http://tax.illinois.gov/businesses/incentives).** A report for each calendar year must be submitted no later than May 31st of the following year.

## FRANKLIN PARK ENTERPRISE ZONE

### FORM B: BUILDING MATERIALS EXEMPTION CERTIFICATE (BMEC) APPLICATION

PROJECT #

WILL BE ISSUED BY EZ ADMINISTRATOR

**NOTE:** All items must be completed on this form before the Zone Administrator submits an application to IDOR for a BMEC on behalf of the contractor or project owner for the address declared on this application. Each contractor must have his or her own BMEC issued by the IDOR. No building materials exemptions are allowed before the certification start date.

ENTERPRISE ZONE BUSINESS NAME

PROJECT ADDRESS

CONTRACTOR BUSINESS NAME

CONTRACTOR BUSINESS ADDRESS

CONTRACTOR EMAIL

CONTRACTOR BUSINESS PHONE (LANDLINE)

CONTRACTOR BUSINESS CELL

CONTRACT AMOUNT

ESTIMATED AMOUNT OF BUILDING MATERIALS FOR THIS CONTRACT

PERCENTAGE OF CONTRACT FOR QUALIFYING BUILDING MATERIALS

 %

ESTIMATED AMOUNT OF STATE SALES TAX EXEMPTION (10.00% EXEMPTION)

CONTRACTOR'S COMPLETION DATE *(Date will become the BMEC expiration date.)*

CONTRACTOR FEIN # OR APPLICANT ID

CERTIFICATE CONTACT PERSON

TITLE

SIGNATURE

<hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> CERTIFICATE CONTACT PERSON	<hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> DATE
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**NOTE:** By State law, BMEC holders must report the final value of purchases made using each BMEC certificate at [tax.illinois.gov/businesses/incentives](http://tax.illinois.gov/businesses/incentives). A report for each calendar year must be submitted no later than May 31st of the following year.

**TO BE FILLED IN BY ENTERPRISE ZONE ADMINISTRATOR**

CERTIFICATION START DATE



# *Informational*

## *Bulletin*

Brian Hamer, Director

## **New Application Process to Obtain Sales Tax Exemption Certificates for Building Materials**

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This bulletin is written to inform you of recent changes; it does not replace statutes, rules and regulations, or court decisions.

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Contractors and other entities participating in a real estate construction, rehabilitation, or renovation project in an Enterprise Zone or a River Edge Redevelopment Zone – or for a state-certified High Impact Business – may purchase building materials for the project exempt from sales tax.

**Beginning July 1, 2013, the building materials exemption will be available only to those contractors or other entities with a certificate issued by the Illinois Department of Revenue.**

This bulletin provides a brief description of the requirements. For complete information about what you need, visit our website at [tax.illinois.gov](http://tax.illinois.gov) and click on the “Business Incentives Reporting and Building Materials Exemption Certification” link.

**For information or forms**  
Visit our website at:  
[tax.illinois.gov](http://tax.illinois.gov)

### **Who is eligible for a Building Materials Exemption Certificate?**

- Each construction contractor or other entity that purchases building materials to be incorporated into real estate in an Enterprise Zone or River Edge Redevelopment Zone by rehabilitation, remodeling or new construction.
- Each construction contractor or other entity that purchases building materials that will be incorporated into a High Impact Business location as designated by the Department of Commerce and Economic Opportunity

### **How do I apply for a Building Materials Exemption Certificate?**

- Construction contractors or other entities seeking exemption certificates must go through the Zone Administrator of the zone where the project is located or through the High Impact Business project manager.
- Zone Administrators must submit applications for those construction contractors or other entities purchasing materials to incorporate into real estate in an Enterprise Zone or River Edge Redevelopment Zone.
- High Impact Businesses must submit applications for those construction contractors or other entities purchasing materials to be incorporated into a High Impact Business location.

- All applications must be submitted through the “Business Incentives Reporting and Building Materials Exemption Certification” link at the Department of Revenue’s website, at [tax.illinois.gov](http://tax.illinois.gov).
- The Department of Revenue will issue an exemption certificate within 72 hours of receiving an application.

### **What information does a Zone Administrator or High Impact Business project manager have to provide to apply for an exemption certificate?**

- Name, address and e-mail address of the construction contractor or other entity seeking a certificate;
- Name of the Enterprise Zone or River Edge Redevelopment Zone (not necessary for High Impact Business locations);
- The address (or location) of the project;
- The estimated amount of the exemption based on the percentage of the contract that consists of materials; and
- Federal Employer Identification Number (FEIN) or Applicant ID

**IMPORTANT:** If you are a sole proprietor using a Social Security Number (SSN) as your business identification number, you must first obtain an “Applicant ID” through the Building Materials Exemption Certificate program and bring your Applicant ID to the Zone Administrator or High Impact Business project manager for them to complete your application.

### **How will a retailer know when a purchaser has a valid exemption certificate?**

When purchasing tax exempt building materials, the purchaser must submit a signed statement to the retailer that contains the certificate number, the zone, the project, and the materials being purchased. Form EZ-1, Building Materials Exemption Certification, contains all necessary information and will be provided to certificate holders when they receive their certificates. Form EZ-1 is also available for download at [tax.illinois.gov](http://tax.illinois.gov).

**Note:** It is the seller’s responsibility to verify that the certificate holder’s building materials exemption certificate number is valid and active. You can confirm this by visiting our website at [tax.illinois.gov](http://tax.illinois.gov) and using the Verify Building Materials Exemption Certificates tool.

### **How long is a certificate valid?**

A maximum of two years.

### **When will contractors and other entities have to begin using Department of Revenue-issued certificates?**

July 1, 2013

### **Are unexpired certificates issued by Zone Administrators before July 1, 2013 still valid after July 1, 2013?**

No. Only certificates issued by the Illinois Department of Revenue are valid beginning July 1, 2013. Any contractor or other entity possessing a valid building materials exemption certificate issued by a Zone Administrator, must apply for a new certificate from the Department of Revenue for the project.

### **What are the penalties for misuse of an exemption certificate?**

Certificate holders are responsible for ensuring that their certificates are used only to make qualified purchases. A certificate holder who uses the certificate or allows it to be used to improperly avoid tax will be assessed taxes and penalties on the purchase, an additional monetary penalty equal to the state and local sales taxes on the purchase, and may be barred from securing certificates for other projects.



 **Illinois Department of Revenue**  
**EZ-1 Building Materials Exemption Certification**

**Step 1: Identify the seller**

The seller must keep this certificate.

Name \_\_\_\_\_

Address \_\_\_\_\_  
Number and street

Phone (\_\_\_\_\_) \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

**Step 2: Identify the certificate holder**

Name \_\_\_\_\_

Phone (\_\_\_\_\_) \_\_\_\_\_

Address \_\_\_\_\_  
Number and street

Date of purchase \_\_\_\_/\_\_\_\_/\_\_\_\_  
Month Day Year

City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

Building materials exemption certificate number:  
\_\_\_\_\_

**Step 3: Location or address of the real estate into which building materials will be permanently incorporated**

Name of Zone or High Impact Business \_\_\_\_\_

Project Name \_\_\_\_\_

Location \_\_\_\_\_

Address \_\_\_\_\_  
Number and street

**OR**

\_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

**Step 4: Identify the building materials you are purchasing**

Description of building materials purchased \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Step 5: Sign below**

I certify that the building materials described above will be permanently incorporated into real estate in the location indicated above as rehabilitation, renovation, and/or new construction for this project.

Purchaser's signature \_\_\_\_\_

Date \_\_\_\_/\_\_\_\_/\_\_\_\_

Note: It is the seller's responsibility to verify that the certificate holder's building materials exemption certificate number is valid and active. You can confirm this by using the "Verify Building Materials Exemption Certificates" tool at our website at [tax.illinois.gov](http://tax.illinois.gov). Click on the "Business Incentives and Building Materials Exemption Certification" link for access to all tools and information regarding these exemptions, including Informational Bulletin FY 2013-16.