



# BUSINESS FINANCING PROGRAMS



## Resource Contact

### NORTHWEST ILLINOIS ECONOMIC DEVELOPMENT

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## Local

### PROGRAMS:

#### **USDA Rural Economic Development Loan Fund**

Administered by Jo Carroll Energy and Dairyland Power, this low-interest program is offered annually. 10-year term w/ ~ 2% interest, and a 20% match is required. Funds can be used for financing fixed assets such as real estate, buildings, equipment or working capital, as well as business expansion or technical assistance.

#### **Tax Increment Financing Districts**

This money is typically a reimbursement for property and investments in infrastructure (curb, gutter, etc.). Administered at the municipal level, all money is paid by the developer up front and returned over the following years, dependent on locality. Money is frozen into an account for all additional revenue collected above the base tax rate at time of TIF establishment.

#### **Jo Daviess County Revolving Fund**

This low-interest program provides a source of financing for expanding or a start-up business that have a "financing gap," and is designed to serve as part of a financing package. The borrower must take between \$5,000 and \$100,000. Rate: Two (2) points below Prime Rate, variable, max 2%. Amount must not exceed 25% of total package fee, and there is a maximum term of 10 years with a .25% cost for annual service fee.

#### **NWILED Genz Memorial Investment Fund**

Gap financing for small businesses for the purchase of physical capital, the purchase of an existing business, or for pilot projects. This program does not need to be paid back, but it does require a business plan and an existing relationship with a bank. Awards range from \$8,000 - \$12,000 and applications are reviewed on a rolling basis.

# State of Illinois

## PROGRAMS:

### **Economic Development for a Growing Economy (EDGE)**

Provides non-refundable annual tax credits against corporate income taxes over a period of up to 10 years. Credits are equal to a % of new income tax withholdings generated by a project's new job creation. To qualify, companies with less than 100 global employees must create new jobs equal to at least 5% of their total global employment; there is no minimum investment. Companies with more than 100 global employees must create new jobs equal to the lesser of 10% of their total global employment or 50 new jobs; they must also invest at least \$2.5 million in the project. Unused credits may be carried forward for 5 years. Retail, food service, and hospitality are ineligible.

### **High Impact Business Program (HIB)**

To stimulate large-scale projects outside of Enterprise Zone locations, HIB offers investment tax credits, a state sales tax exemption on building materials, an exemption from state sales tax on utilities, and a state sales tax exemption on purchases of personal property used or consumed in a manufacturing process or in the operation of a pollution control facility. Qualifying businesses must make a minimum capital investment of \$12 million and create at least 500 full-time jobs, or invest \$30 million and retain 1,500 jobs.

### **Enterprise Zone Program**

Businesses locating in an Enterprise Zone may qualify for certain incentives including a sales tax exemption on building materials, investment tax credit of 0.5% of qualified property, and state utility tax on gas, electricity and telecommunication. Additional incentives may be available at the local level. Any sized business may apply.

### **Illinois Apprenticeship Education Tax Credit Program**

Employers are allowed a tax credit for qualified educational expenses associated with qualifying apprentices. Employers may receive a credit of up to \$3,500 per apprentice against the taxes imposed by subsections (a) and (b) of Section 201 of the Illinois Income Tax Act, and an additional credit of up to \$1,500 for each apprentice if the apprentice resides in an underserved area or the employer's principal place of business is located in an underserved area.

### **Data Center Tax Exemption**

Data centers investing more than \$250 million and creating more than 20 new jobs over a 5-year period are eligible for sales tax exemptions on qualifying property including new equipment, construction materials, and building infrastructure in addition to excise tax exemptions on electricity consumed at the facility.

### **Additional Free Resources**

Workshare - Alternative to lay-offs  
Layoff Assistance - Rapid response and employee aid  
Best-Inc - Displaced worker training  
Sauk Small Business Development Center - Technical assistance



## Federal

### PROGRAMS:

#### **Opportunity Zones**

**Opportunity Zones provide temporary tax deferrals to investors that locate in specific areas most in need of job creation. These zones are identified through an analysis that includes the poverty rate, unemployment rate, total number of children in poverty, violent crime rate and population. NW Illinois has two opportunity zones in Savanna and Stockton.**

#### **SBA Programs**

- **Including, 7a, Express Loans, Community Advantage (women-, veteran), and minority-owned businesses, along with low-income borrowers**
- **Target small businesses – less than 500 employees or those below certain revenue caps.**