



FEDERAL EMPOWERMENT ZONE TAX CREDIT (FEZ)

Utilize your company's location for profit when you're located in a designated Federal Empowerment Zone. The IRS allows a 20% income tax credit on the first \$15,000 in wages paid annually to employees in Federal Empowerment Zones, worth up to \$3,000 per employee. Those that qualify, meaning a business has location(s) with employees located within the boundary of a designated Federal Empowerment Zone, can find tax savings that boost their profitability.



HOW TO QUALIFY

Businesses can claim this credit for full- or part-time employees with a minimum employment period of 90 days (unless an employee is terminated for misconduct), and the credit can be carried back one year and forward 20. All for-profit companies are eligible for the program, and owners of pass-through entities can also claim the credit. Established by Congress in 1993, it doesn't require an application or certification and can be combined with other federal tax credits. This credit should be considered when preparing tax provisions for estimated payments.

HOW SIKICH CAN HELP

Our services encompass the following:

- Complimentary eligibility review (given a detailed location list)
- Credit calculation for annual income tax reduction
- Continuous legislative monitoring for potential federal program enhancements



We also work with our site selection and business incentives team to ensure any state tax credit opportunities are considered in addition to federal credits. All credit calculations are thoroughly documented to support a potential audit.

Maximize your company's profitability with our employment tax credit services. We'll guide you through the complexities, ensuring you fully benefit from these valuable programs. Learn more at www.sikich.com.

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