

Enterprise Zone Harvard, Illinois

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What is the Enterprise Zone?

The McHenry County Enterprise Zone exists to drive economic growth in our community. This state-designated area offers a range of local benefits, from tax incentives and fee reductions to simplified processes, all designed to support local businesses and attract new opportunities. Whether you're starting a new venture or expanding an existing one, the Enterprise Zone makes Harvard an ideal location for businesses across all sectors.

What we offer

Sales Tax Exemption

Building materials used for certified projects are exempt from local and state sales tax, totaling 8.25%, reducing construction costs. Certification from the Enterprise Zone Administrator is required to qualify.

One Year Sales Tax Abatement

Harvard offers a one-time 1% sales tax abatement for eligible projects for one year, providing an additional tax incentive during the initial project phase.

Property Tax Abatement

Eligible projects will receive a property tax reduction on the increase in property taxes.

- Years 1-5: 100% abatement
- Years 6-7: 50% abatement
- Year 8: 25% abatement

Utility Tax Abatement

Utility tax is abated for high-impact businesses, following the same schedule as property taxes (100%, 50%, 25%).



Permit Fee Waivers

Building-related permit fees are waived for approved projects, further lowering initial costs. There is also a streamlined permitting process.

Eligibility

Available for commercial, industrial, and manufacturing properties only. Properties located in a Tax Increment Financing (TIF) district are not eligible for the tax abatement, however other benefits may apply.

How to Apply

Businesses interested in the Enterprise Zone should contact the City's economic development department or the Enterprise Zone Administrator to discuss eligibility and begin the certification process.

City of Harvard:
201 W Diggins St
Harvard, IL 60033
(815) 943-6468



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Application Process

The McHenry County Enterprise Zone provides incentives to eligible projects, including a sales tax exemption on building materials. To participate, project owners and subcontractors must complete separate applications and follow the outlined process.

1. Project Owner Application & Registration

- The project initiator/owner must complete the [Enterprise Zone application](#) and submit it to the Administrator.
- Once received, the project is registered with the Illinois Department of Revenue.
- A non-refundable Enterprise Zone project fee is required, calculated as ½ of 1% of the total building material costs, payable by check or credit card (card incurs a 3% processing fee).

2. Subcontractor Application

- Each subcontractor must complete the Subcontractor Enterprise Zone Application, available on the McHenry County Enterprise Zone website or upon request.
- The form must be submitted before purchasing any building materials to qualify for tax exemptions.
- Subcontractors do not pay a fee.

3. Building Materials (Sales Tax) Exemption Certificate (BMEC)

- Once subcontractor applications are received, the Enterprise Zone Administrator registers them with the Illinois Department of Revenue.
- The State issues a Building Materials Exemption Certificate (BMEC), which is then provided to the subcontractor.
- The subcontractor must retain a hard or digital copy of the certificate and present it at the point of purchase.
- It is the responsibility of the seller to validate the certificate's authenticity.

4. Project Closing & Reporting

- Upon project completion, the owner must submit a Project Closing Form summarizing the total project details.
- Some companies may require subcontractors to submit individual closing forms, which can also serve as status updates.

Important Notes

- Retroactive purchases do not qualify for sales tax exemption. Subcontractors must be registered before buying materials.
- The Enterprise Zone Administrator is available to assist with applications and ensure compliance with all requirements.

For further details or to request application forms, please contact the City of Harvard's Economic Development Department or the McHenry County Enterprise Zone Administrator.

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