

Enterprise Zone Marengo, Illinois

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mchenrycountyenterprisezone.com

[815-893-0895](tel:815-893-0895)

What is the Enterprise Zone?

The McHenry County Enterprise Zone is here 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 Marengo an ideal location for businesses across all sectors.

What we offer

Sales Tax Exemption

Building materials permanently incorporated into real estate within the Enterprise Zone are exempt from local sales tax. To receive this exemption, businesses must obtain project certification through the Enterprise Zone Administrator.

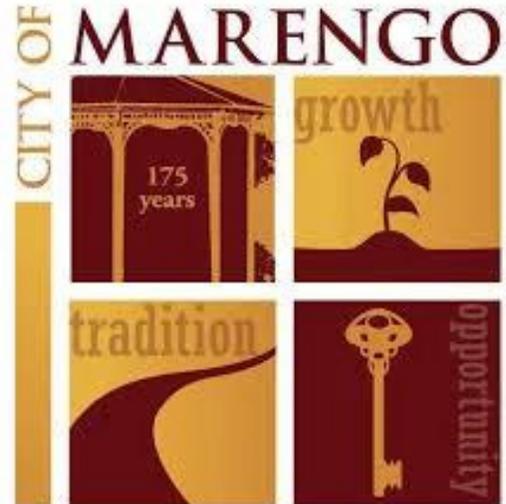
Property Tax Abatement

Eligible projects in receive a property tax reduction on new construction or significant renovations.

- Years 1-5: 100% abatement
- Years 6-7: 50% abatement
- Years 8-9: 25% abatement

Utility Tax Abatement

Utility taxes are abated for certified projects according to the same schedule as property taxes: 100% for four years, 50% for two years, and 25% for the final two years.



Streamlined Permitting

Marengo's streamlined permitting process accelerates project approvals, helping businesses start operations faster.

Permit Fee Waivers

Building, Plumbing, Electrical, Zoning, and Excavation permit fees are fully waived for certified projects. This applies to new construction, rehabilitation, or major expansions. Maintenance & Repair fees are ineligible.

Eligibility

Available for commercial, industrial, and manufacturing properties only. Properties located in a Tax Increment Financing (TIF) district are not eligible.

How to Apply

Businesses interested in the Enterprise Zone should contact the Enterprise Zone Administrator to discuss eligibility and begin the certification process.

[City of Marengo:](#)

132 East Prairie St.

Marengo, IL 60152

(815) 568-7112



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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 Marengo's Economic Development Department or the McHenry County Enterprise Zone Administrator.

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