

# STATE ENTERPRISE ZONE BOARD

## INVENTORY PURCHASES FOR INCENTIVE REINVESTMENT POLICY

Adopted: April 20, 2000

*The Indiana Enterprise Zone statute provides for the disqualification from incentive eligibility of an enterprise zone business if the business does not use all of its incentives, except for applicable registration fees, for its property or employees in the zone. (IC 4-4-6.1-2(a)(4)(B).)*

### POLICY

Expenditures made by enterprise zone businesses for the purchase of inventory items shall be acceptable for purposes of the incentive reinvestment requirement stated in IC 4-4-6.1-2(a)(4)(B).

All inventory included for purposes of the reinvestment requirement must be:

- a). Physically located within the enterprise zone boundary in which the enterprise zone credit is claimed, and,
- b). Calculated based upon the Inventory Valuation For Incentive Reinvestment worksheet.

Incentive reinvestment amounts are to be reported on form EZB-R. A complete Inventory Valuation For Incentive Reinvestment worksheet shall be included with the EZB-R form as an attachment. All requirements, restrictions and provisions stated in the Enterprise Zone statute and its rules shall be applicable to incentive reinvestments in inventory.