

 TOWN OF KYLE	MANUAL – General Government	POLICY # - 40-2012
	SECTION: Administration	Original effective Date: May 14, 2012
POLICY/PROCEDURE	TITLE: Economic Development Tax Incentives	Last Review Date:
		APPROVED BY:

1. Purpose:

- a. In order for further development of the local economy, this policy is designed to encourage new commercial construction, the expansion of existing commercial enterprises, as well as, the operation of existing vacant buildings within the Town of Kyle.

2. Eligibility:

- a. In order for **New Commercial** properties to be eligible the following terms and conditions must be met:
 - i. In the year of construction, Improvement taxes will not be levied in the year that construction is taking place, if construction does not take more than one (1) year. If the duration of construction will take more than one (1) year, then, at the discretion of Council, the Land and Improvement tax abatement may be prorated in the year that construction is completed.
 - ii. Until completion of construction, the assessed owner will be responsible to pay the land taxes in the year they become due.
 - iii. The assessed owner must also be the owner of the new business.
 - iv. Application for exemption must be provided in writing on or before December 31st in the year prior to consideration. The applicant must include proof:
 - 1. of an approved building permit.
 - 2. the business is in operation and must remain open for the duration of the tax incentive
 - 3. all taxes, charges and fees have been paid in full
 - 4. all other properties within the Town of Kyle, under the same ownership and or shareholder name must be in good standing.
 - v. Any business subject to commercial taxation, such as a home based business or businesses subject to grants in lieu are excluded.
- b. The exemption may be applied as follows:
 - i. 100% exempt in year one
 - ii. 75% exempt in year two

- iii. 50% exempt in year three
- iv. 25% exempt in year four
- v. 0% exempt in year five.

3. Eligibility:

- a. In order for **Existing Business Expansion** properties to be eligible the following terms and conditions must be met:
 - i. The assessed owner must also be the owner of the business.
 - ii. In the year of expansion, that portion of Improvement taxes will not be levied in the year that construction is taking place, if construction does not take more than one (1) year. If the duration of expansion will take more than one (1) year, then, at the discretion of Council, the Land and Improvement tax abatement may be prorated in the year that expansion is completed.
 - iii. Until completion of the expansion, the assessed owner will be responsible to pay the existing assessed land and Improvement taxes in the year they become due.
 - iv. Any incentive that may be granted will apply only to the amount of the increase in the assessed value that the expansion may cause.
 - v. Application, in writing, for the expansion of existing commercial buildings must be provided in writing on or before December 31st in the year prior to consideration. The applicant must include proof:
 - 1. of an approved building permit.
 - 2. the business is in operation and must remain open for the duration of the tax incentive
 - 3. all taxes, charges and fees have been paid in full
 - 4. all other properties within the Town of Kyle, under the same ownership and or shareholder name must be in good standing.
 - vi. Any business subject to commercial taxation, such as a home based business or businesses subject to grants in lieu are excluded.
- b. The exemption may be applied as follows:
 - i. 100% exempt in year one
 - ii. 75% exempt in year two
 - iii. 50% exempt in year three
 - iv. 25% exempt in year four
 - v. 0% exempt in year five.

4. Eligibility:

- a. In order for **Existing Vacant** properties to be eligible for a tax incentive the following terms and conditions must be met:
 - i. The assessed owner of the property must also be the owner of the business.
 - ii. the assessed owner will be responsible to pay the existing assessed land and Improvement taxes in the year they become due.
 - iii. Application, in writing, for tax exemption of existing commercial building must be provided on or before December 31st in the year prior to consideration. The applicant must include proof:
 1. the business is in operation and must remain open for the duration of the tax incentive
 2. all taxes, charges and fees have been paid in full
 3. all other properties within the Town of Kyle, under the same ownership and or shareholder name must be in good standing.
 - iv. The incentive may come into effect starting the first full calendar year of operation for a new business.
 - v. Any business subject to commercial taxation, such as a home based business or businesses subject to grants in lieu are excluded.
- b. The exemption may be applied as follows:
 - i. 100% exempt in year one
 - ii. 75% exempt in year two
 - iii. 50% exempt in year three
 - iv. 25% exempt in year four
 - v. 0% exempt in year five.

