

Incentives are Still Available For Growth in Los Angeles State Enterprise Zone

By: David Tetzlaff, Esq.

<http://commercialcounselor.com/>

Los Angeles area businesses looking to expand or establish a presence within the City, but concerned about the cost of doing business, may want to consider locating their offices or other facilities within a State Enterprise Zone. State Enterprise Zones are intended to stimulate business and increased employment within economically challenged areas of the City.

There are currently two State Enterprise Zones (SEZ's) within the City of Los Angeles. The East Los Angeles SEZ and the Los Angeles SEZ.

The Los Angeles SEZ was expanded in May 2010 and now includes areas of the San Fernando Valley, such as the Warner Center portion of Woodland Hills; the Canoga Park, Chatsworth and Northridge industrial areas; the area surrounding Van Nuys Airport; and Van Nuys Boulevard from Saticoy Street to Oxnard Street in Van Nuys.

Benefits of locating a business within a State Enterprise Zone may include:

- Employer Hiring Credits up to \$37,440 over a 5-year period per each qualified employee
- Sales and Use Tax Credits of 100% of the sales/use tax paid for equipment purchases for use in the zone
- Business Expense Deduction in the form of accelerated depreciation for tangible personal property the first year it is placed in service (\$20,000 limit)
- Net Operating Loss Carryover which permits 100% of such losses to be carried forward for 15 years

State Enterprise Zones may also offer discounts from the Los Angeles Department of Water and Power, and reduced parking requirements as compared to other areas of the City.

Tharpe & Howell can advise your business about State Enterprise Zones and assist you in determining if locating an office or facility within an SEZ makes sense for you.

<http://goo.gl/V8wS5>

For over 35 years small businesses, major corporations, public entities, individuals and insurance companies have depended on Tharpe & Howell, LLP, to deliver pragmatic, innovative, cost-effective advice, civil litigation and transactional solutions. For more information, please contact us at (818) 473-5720 or email your request to cabusinesslawreport@tharpe-howell.com.