

Adopted 6/27/06

**TECHNOLOGY ZONE IMPLEMENTATION POLICY
June 2006**

The Bedford County Board of Supervisors adopted the Bedford County Technology Zone Ordinance on October 12, 2004. As stated in the Ordinance, the applicable tax categories available for rebate under this Ordinance are Machinery and Tools tax and Business Furniture and Fixtures tax. **In no case is real estate tax eligible for tax abatement.**

Definition of a Technology Company - A qualified technology business is one engaged in the activities of research, development, or manufacture of commodities used in biotechnology, computer hardware or software, electronics, telecommunications, systems integration, testing and measurements, e-commerce, factory automation, internet services, subassemblies and components, medical and pharmaceutical products, photonics, advanced materials, architecture and engineering, defense, energy, and transportation. While there may be other business categories that could be interpreted as technology businesses, the determination will be based upon the nature of the work and/or research involved. In no case will the use of computers or telecommunication devices or services used by a firm in its internal operations qualify the business as a technology business according to the guidelines herein.

I. Determination of Eligibility

A. Company shall request consideration based upon the definition of a “Qualified Technology Business”

B. Administrator shall recommend approval of application to Economic Development Authority (EDA).

C. Administrator shall determine which tier is applicable, based upon the information provided in the application

II. Technology Zone Incentive Tiers

There are three stated tiers defined in the Ordinance, as follows:

- a. Tier No. 1 - \$500,000 minimum capital investment and 25 jobs
- b. Tier No. 2 - \$50,000 minimum capital investment and 5 jobs
- c. Tier No. 3 - \$25,000 capital investment and 3 jobs

III. Determination of Tax Abatement Structure

A. Administrator shall recommend to EDA an amount of tax abatement, according to the following tiered structure, as defined in the Ordinance:

1) Tier #1

Category A – company with payroll in excess of \$15/hr or \$35,000/yr avg.

- 70% rebate at end of 1st full tax year
- 60% rebate at end of 2nd full tax year
- 50% rebate at end of 3rd full tax year
- 40% rebate at end of 4th full tax year
- 30% rebate at end of 5th full tax year
- 20% rebate at end of 6th full tax year

Category B - company with payroll that is less than above

- 60% rebate at end of 1st and 2nd full tax years
- 40% rebate at end of 3rd and 4th full tax years
- 20% rebate at end of 5th full tax year

2) Tier #2

Category A – company with payroll in excess \$15/hr or \$35,000/yr avg.

- 60% rebate at end of 1st full tax year
- 50% rebate at end of 2nd full tax year
- 40% rebate at end of 3rd full tax year
- 30% rebate at end of 4th full tax year
- 20% rebate at end of 5th full tax year

Category B - company with payroll that is less than above

- 50% rebate at end of 1st and 2nd full tax years
- 30% rebate at end of 3rd and 4th full tax years
- 20% rebate at end of 5th full tax year

3) Tier #3

- 40% rebate at end of 1st and 2nd full tax years
- 20% rebate at end of 3rd, 4th, and 5th full tax years

IV. Refund Procedure

A. At the time a Determination of Eligibility is approved, the Bedford County Commissioner of the Revenue shall be informed in writing and provided with documentation of the level of rebate that shall apply.

B. All appropriate taxes shall be assessed and collected by the Bedford County Commissioner of Revenue at the time they are due and payable.

C. Within six months of the date the taxes are paid for one full tax year, a rebate check will be processed and returned to the qualifying company. In no case will the rebate be paid if the company is delinquent in any tax or fee due to Bedford County.