

Instructions

Enterprise Zone - Building Materials Exemption Certificate (BMEC)

The Ottawa Area Enterprise Zone program provides for sales tax exemption on Building Materials permanently affixed to the building only. It does not include furnishings and/or removable items. Qualifying properties must be located inside the Ottawa EZ boundaries.

Two forms are needed to apply for the Ottawa Area Enterprise Zone sales tax exemption: a PROJECT APPLICATION and a CERTIFICATE APPLICATION(S). The process is as follows:

1. The PROJECT APPLICATION is to be completed and signed by the property owner and sent to Dave Noble at Ottawa City Hall or scanned and e-mailed to dnoble@cityofottawa.org. The project fee of 0.5% of the estimated building materials for the project must be paid before the application is processed.
2. Each contractor/subcontractor purchasing building materials for the project must complete a CERTIFICATE APPLICATION and sends it to Dave Noble at Ottawa City Hall or emails it to dnoble@cityofottawa.org.
3. If the owner will be purchasing building materials directly, the owner must also submit a CERTIFICATE APPLICATION.
4. Finally, City staff will enter the application information into the Illinois Department of Revenue website and IDOR will email each contractor's contact person a link to obtain their actual BMEC Certificate. Be sure the contact person listed on the application is the one you want receiving the emails and doing the paperwork.
5. Additional contractors added as the project proceeds can be included by them completing and submitting the CERTIFICATE APPLICATION.
6. Each contractor shows their certificate to retailers at the time of purchase, and the tax is waived.
7. All contractors need to keep track of the dollar amount of tax exempt purchases made during the project. A few months after the end of each calendar year that the certificate has been valid, each contractor will receive an e-mail from IDOR asking them to complete a report on the IDOR website detailing that dollar amount.
8. The project owners will also receive an email from IDOR for them to complete a Project Report.

PLEASE NOTE THAT FOR ALL COMMERCIAL/INDUSTRIAL PROJECTS INSIDE THE CITY OF OTTAWA, PREVAILING WAGES MUST BE UTILIZED FOR CONSTRUCTING THE PROJECT TO TAKE ADVANTAGE OF THIS BMEC SALES TAX EXEMPTION.

Here are a few links to commonly asked questions about the Enterprise Zone.

Building materials Exemption Certification- Enterprise Zone IDOR website
<https://www2.illinois.gov/rev/businesses/incentives/Pages/default.aspx>

Enterprise Zone JCAR Rules
<ftp://www.ilga.gov/JCAR/AdminCode/014/01400520sections.html>

Illinois Department of Revenue regulations
<http://www.revenue.state.il.us/legalinformation/regs/part130/130-1951.pdf>

Also, please feel free to call me or Nancy Stisser (815-433-0161 x224) with questions.

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