



News Release
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Jackson County Businesses Are Eligible for Tax Exempt Financing

Businesses in Jackson County have a unique opportunity to borrow money at lower interest rates for capital projects. Jackson County has been designated as a Recovery Zone under the American Recovery and Reinvestment Act of 2009 and has been allocated \$8,061,000 for tax exempt Recovery Zone Facility (RZF) Bonds.

RZF Bonds are tax exempt private activity bonds that can be used by private businesses for depreciable capital projects such as buildings and equipment. Financing projects with RZF Bonds can be through banks or through the open bond market. The bonds are issued by Jackson County; however, the county does not have any financial liability associated with the issuance of or repayment of the bonds

Projects that use RZF Bonds must meet the definition of a “qualified business”. A “qualified business” is any trade or business with certain exceptions including the rental of residential real property (unless part of a mixed use project) or the operation of certain non-favored facilities such as golf courses, massage parlors, gambling facilities and stores primarily selling alcohol for consumption off premises.

There are additional costs involved with issuing RZF Bonds as compared to traditional private financing. The benefit of the tax exempt status of the financing method is best in projects over \$500,000; however, smaller projects may benefit depending upon interest rates and loan terms and RZF Bonds should be considered.

Parties interested in learning more about Recovery Zone Facility Bonds may contact Jeff Doherty, Executive Director, Jackson Growth Alliance at 618-713-9210 or jdoherly@jacksonbiz.org.

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