



THE CITY OF KANKAKEE

River Edge Redevelopment Zone

What is a River Edge Redevelopment Zone?

The River Edge Redevelopment Zone Program (RERZ) helps revive and redevelop properties adjacent to rivers in Illinois. RERZ provides several incentives authorized by State law, including **sales tax exemption** and **property tax abatement**. Other incentives are claimed on your Illinois Income Tax filing forms.

Dividend Income Deduction: Allows individuals, corporations, trusts and estates to deduct an amount equal to dividends paid to them by a corporation that conducts substantially all of its operation in the RERZ from their taxable income.

Interest Income Deduction: Allows financial corporations to deduct an amount equal to the interest received for a loan for development in an RERZ from their corporate State Income tax. Loans must be secured by property located within an RERZ.

New Construction Jobs Credits: Allows eligible project owners to deduct received tax credits from their taxable income. Tax credits are issued based on the incremental income tax attributable to the River Edge construction employees employed on an eligible project.

Building Materials Sales Tax Exemption: Allows for exemption of sales tax on construction materials for non-residential projects within the RERZ. Forms necessary to claim this “point-of-sales” exemption are available from the local administrator.

Property Tax Abatement: The RERZ will offer property tax abatement within the zone. Details of the abatement program are still under review.

What are the RERZ eligibility requirements?

1. Contiguous area;
2. Maximum area of 12 square miles, exclusive of lakes and waterways;
3. Completely within the City of Kankakee municipal limits;
4. Has at least 100 acres of environmentally challenged land within 1,500 yards of the riverfront;
5. Is not within an existing Enterprise Zone; and,
6. Can overlap a TIF District.

What Are The Benefits of RERZ?

BENEFIT	KANKAKEE RIVER VALLEY ENTERPRISE ZONE	RIVER EDGE REDEVELOPMENT ZONE
Property Tax Abatement (new construction)	Yes, for newly constructed industrial – 5 Years – 100%, 80%, 60%, 40%, 20%	Yes, industrial or commercial – terms yet to be negotiated
Discounted Building Permits	50% discount	50% discount
Sales Tax Exemption on Building Materials	Yes	Yes
Investment Tax Credit	.5 % credit against state income tax	No
Machinery & Equipment Sales Tax Exemption	Yes, with State certification	No
Utility Tax Exemption	Yes, with State certification	No
Dividend Income Deduction, Interest Income Deduction, New Construction Jobs Credit	No	Yes



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[DRAFT] River Edge Redevelopment Zone Boundary Map

