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DCEO touts business tax credits

Opportunities now available for area small businesses

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The Illinois Department of Commerce and Economic Opportunity was in Edwardsville on Thursday to promote the state's newest small business tax credit.

The agency hosted a press conference at the Edwardsville-based IT Consulting firm Royal Solutions – just one of the many companies already taking advantage of the tax credit.

DCEO Director Warren Ribley said the state wanted to inform small businesses that they, like Royal Solutions, can apply for this new small business tax credit.

Ribley said the legislation proposed and signed by Gov. Pat Quinn recently is now available to small businesses with 50 or fewer employees that create new jobs between July 1, 2010 and June 30, 2011.

He said the legislation offers small businesses a \$2,500 tax credit.

"This is really a good incentive for small businesses to hire and put people back to work now," Ribley said.

"A \$2,500 tax credit can make a difference in hiring someone now or more than six to eight months from now."

Ribley added, "We can jump start the economy one job at a time."

Ribley said there are 500,000 small businesses in Illinois and if each would hire one employee it would reduce the state's unemployment rate by five percent.

Owner of Royal Solutions Robbie Prince said the tax credit has allowed his company to hire a one new full-time employee.

"And we look to hire another one by the end of the year," Prince said.

Prince said the company currently has seven full-time employees and three part-time employees.

Two other businesses located in the metro east that have also taken advantage of the new tax credit were also present: Kaskaskia Engineering Group, located in Belleville, and Center Ethanol Company, located in Sauget. Both companies hired two new employees with the new tax credit.

Ribley said it is easy for small businesses to apply for this tax credit. He said businesses can apply online at jobstaxcredit.illinois.gov.

"Businesses find it a simple process," Ribley said.

Ribley said all they have to do is register on the Web site as soon as a new full-time Illinois employee

is hired and begins working. He said after one year of service, companies can then use the Web site to enter the required data and apply for their tax credit certificate.

Royal Solutions is located inside the 330-acre University Park on the campus of SIUE. James Pennekamp, Executive Director of University Park and Special Assistant to the Chancellor for Regional Economic Development, said he was pleased with the news that a small business inside the park was receiving this tax credit.

Pennekamp said University Park tenants employ nearly 400 people and more than 100 are SIUE students.

"One is Royal Solutions and we are very proud to have them as a tenant," Pennekamp said.

As part of the tax credit, businesses must provide the employee with a livable wage or at least \$25,000 per year and must keep the person or position for one year.

The DCEO said the total amount of tax credits issued is capped at \$50 million, which will support 20,000 jobs.

Ribley said there are also many other credits available to businesses.

State Representatives Jay Hoffman and Thomas Holbrook also spoke at the press conference.

They both thanked Gov. Quinn for his efforts in making this tax credit a reality and both were glad many businesses in the metro east were taking advantage of this new legislation.

Hoffman said there are also many other good projects coming to the Edwardsville area soon. He said the DCEO has said it will be soon allocating "environmental money" to the Edwardsville School District.

In addition, Hoffman said bidding and letting for the new SIUE Science Building is under way and the building should be going up soon.