2021 Denver Business Investment Program

The City and County of Denver thanks you for growing your business! Did you know that Denver’s business owners can get a business personal property tax credit each year? This is offered through the city’s Business Investment Program (BIP). Launched in 2013, the BIP is designed to encourage business start-ups and reward existing businesses of all sizes that expand their operations, it incentivizes qualified businesses to expand their facilities, add new employees, and buy new equipment.

WHAT IS THIS TAX CREDIT?
Administered by Denver Economic Development & Opportunity, this tax credit is a reduction of your business personal property tax bill. Businesses that invested in new or expanded operations in 2020 that meet the program eligibility criteria as defined in Section 53-541 and 53-542, D.R.M.C., may apply for the Business Investment tax credit program. Business personal property includes but is not limited to office equipment, communication equipment, tools, fixtures, machinery and equipment used in construction and manufacturing. Replacement equipment is not eligible.

The credit is in the amount of the Denver General Fund portion of your taxes on business personal property for up to four years, starting when the property is placed in service.

WHO IS ELIGIBLE?
- A new business that started operations in 2020 (e.g., start-up)
- A business new to Denver that relocated from outside Denver or added a new facility in Denver in 2020
- An existing business already located in Denver that made significant capital investments and/or job creation

As an existing business, your business must have met at least ONE of these expansion requirements in 2020 to qualify:
- Your increased investment was at least $1 million in business expansion;
- Your increased investment was at least 100% of your prior business capital level;
- You increased by at least 10 employees over your preceding 12-month average; or
- You increased by at least 10 percent in employment over your preceding 12-month average.

Your eligibility for the tax credit will be determined by compliance with Chapter 53, Article XVI, D.R.M.C.

Applications are due June 25, 2021. You can learn all about this program here. Today you can apply for this tax credit based on investments you made in 2020; the application periods for 2019 and prior year investments are closed. New small businesses with business personal property valued at $7,900 or less may already be exempt from personal property tax, in which case this program is not applicable. To confirm whether your new small business is exempt, call the Assessor’s Office at 720-913-4067.

HOW CAN THIS CREDIT BENEFIT ME?
Historically, this credit reduces your business personal property tax liability on qualifying equipment between 10% and 13% of Denver’s combined general millage for a four-year period. This credit can save your business money. Because a business’s type of equipment factors into the value of the assets and its location determines the mill levy, we can’t tell you exactly what your business can save, but you may visit the Denver Assessor’s Office website and click on “Valuation
Tables” for instructions on how to calculate your potential savings. Denver’s annual summaries of levies can be found HERE – click on “Abstracts (Mill Levies)”. Use the General Fund mill levy and any other applicable taxing district mill levies in your calculation.

**HOW IS MY BUSINESS PERSONAL PROPERTY TAX CREDIT CALCULATED?**

The tax credit available to qualifying businesses will be calculated based on the amount of taxes that would have been owed on any newly added, eligible business personal property directly attributable to the operations of the new or expanded business facility. The credit is in the amount of the General Fund portion (see paragraph above) of the taxes upon the business’s taxable personal property assessed by the City and County of Denver. You will be billed for the remaining amount of property taxes owed. As the personal property depreciates, its taxable value would also decrease and, with it, the associated tax liability and tax credit over the four-year agreement period.

**YOUR NEXT STEP**

Start the application here. You’re already compiling information about your business year, so applying for this tax credit will not represent an additional paperwork burden. It’s Denver’s way of recognizing that you’re growing your business and investing in Denver . . . and our way of saying thanks!

The information collected in this application will be used to determine eligibility of the applicant. Qualifying businesses will enter into an agreement with the City and County of Denver that will set forth the terms and conditions upon which they may receive a tax credit. The agreement must be executed prior to October 1, 2021, or the tax credit eligibility may be forfeited.

A sample agreement is available HERE. (Please ensure that these terms are acceptable to your business as we cannot accommodate modifications, but we are happy to explain why we have these terms.) Once the four-year agreement is executed, you do not have to complete an application each year. If you do make additional investments (more jobs, more equipment, more space) in subsequent years, you will need to complete another application. Remember that replacement equipment does not qualify for the credit.

**THAT’S IT!**

When you’re done submitting your online application, Denver Economic Development & Opportunity (DEDO) will review it. We may contact you to request additional information to determine eligibility. Businesses that meet qualifying criteria will be forwarded to the Denver Assessor’s Office for determination of eligible business personal property, allowing them to calculate and track the total amount of the tax credit. Job creation will be verified with Occupational Privilege Tax (OPT) records. DEDO will communicate to you whether the application has been approved.

Don’t delay! You must submit your application for 2020 investments by Friday, June 25, 2021.

Questions? InvestinDenver@denvergov.org or call 720-913-1721.

*Denver Economic Development & Opportunity is leading an inclusive and innovative economy for all Denver residents, businesses, and neighborhoods. By supporting local and global business development, workforce development programs, and stabilization efforts in Denver’s diverse neighborhoods, we are creating opportunity for everyone to make a home, get a job, and build a future. Learn more at www.denvergov.org/economicdevelopment.*