



# Aviation Development Zones

## Purpose

The Aviation Development Zone (ADZ) is a calendar-year performance-based job creation incentive program. Businesses must create net new jobs within a recognized ADZ at an airport before requesting credits.

## Program Description

- The original 2005 legislation allowed aircraft manufacturers located in a recognized Colorado ADZ to obtain state income tax credits for each net new employee they hire.
- Starting January 1, 2013, House Bill No 1080 amended the act to include companies involved in maintenance and repair, completion, and modification of aircraft. ([HB No. 1080](#))
- The state income tax credit is \$1,200 per net new employee.
- Eligible airports must register with the OEDIT for ADZ recognition.
- Approved ADZ Airports include: Boulder - Centennial - Colorado Springs - DIA - Erie - Fort Collins/Loveland - Front Range - Grand Junction - Greeley/Weld - Longmont Municipal - Pueblo Memorial - Rocky Mountain - Stevens Field

## Requirements/Eligibility Rules

- ADZ eligible companies are businesses involved in:
  - Production of aircraft parts specifically used in the manufacture of aircraft
  - Proof of concept, prototyping, test and evaluation, certification or production of aircraft
  - Maintenance and repair, completion, or modification of aircraft
  - Unmanned Aerial Vehicles (UAVs) are considered aircrafts
- An ADZ is any airport in Colorado that is a public-use facility designated by the FAA in its latest National Plan of Integrated Airport Systems, which has registered with OEDIT.
- Only the area included within the boundaries of the airport is included in the ADZ.
- The facility must employ ten or more employees in the ADZ to claim credits.

## Credit Calculation

- The credit applies to full-time employees (working at least 35 hours per week).
- The number of ADZ employees at a qualifying facility is calculated as the average of the number of employees on the last business day of each month during the calendar year.
- The credit is \$1,200 times the increase in the average number of ADZ employees for the calendar year over the previous base number of employees at the facility.

## Other Program Elements

- Under current law, the credit program expires January 1, 2024.
- The credit is available to all types of business entities. LLC's, Partnerships and S Corporations may pass the credit through to their members.
- Any credit in excess of tax liability may be carried forward for a period of up to 5 years.

## Application Process

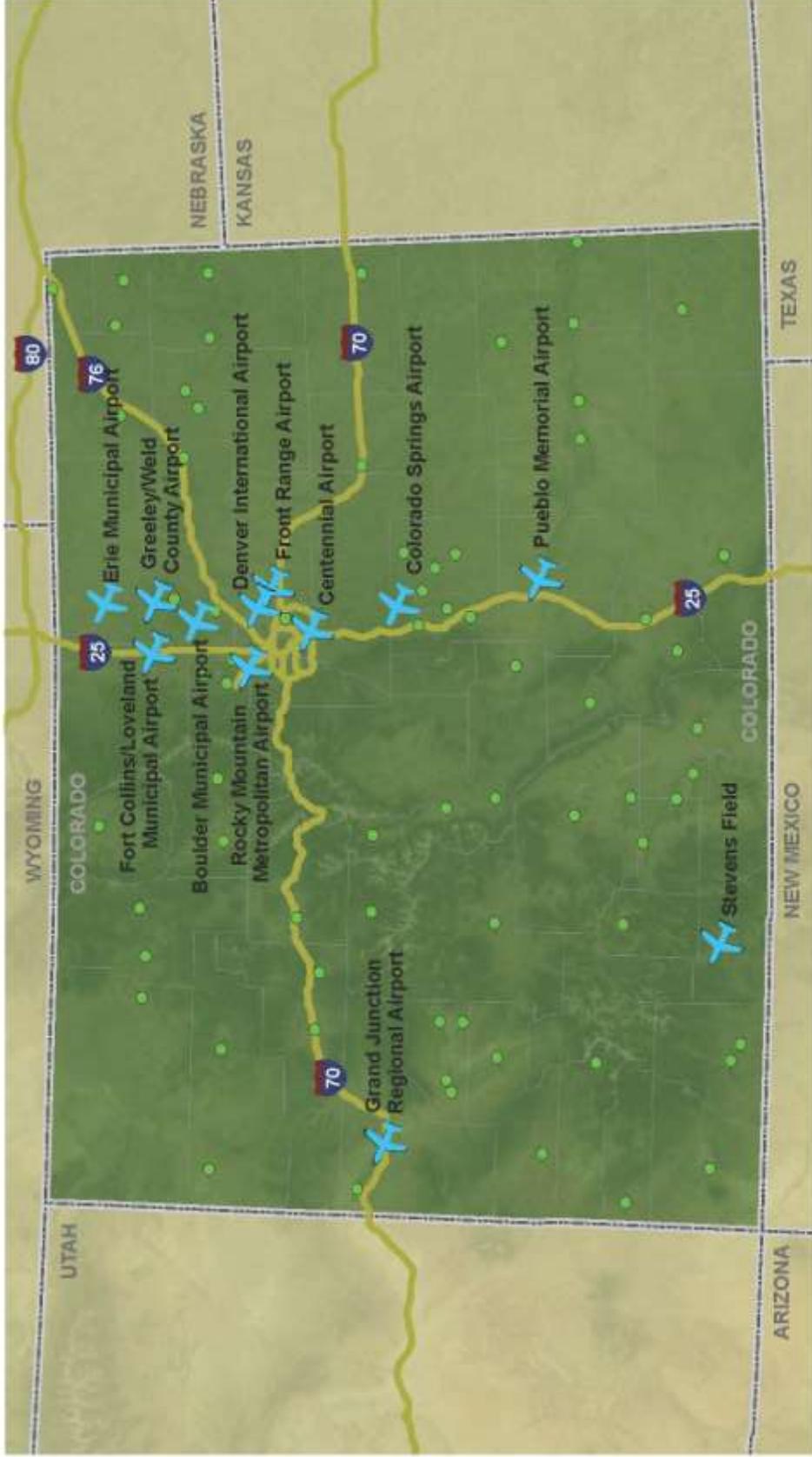
- Unregistered Airports must apply to the OEDIT for ADZ recognition.
- Any company that claims a new employee credit must file Form **DR 0085** "Aircraft Manufacturer New Employees Credit Progress Report" with the Department of Revenue and the OEDIT. ([Form DR 0085](#))

Learn more at [www.advancecolorado.com/incentives](http://www.advancecolorado.com/incentives)



# COLORADO

## OEDIT approved Aviation Development Zones



Approved Aviation Development Zones

Other Colorado Airports



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# Colorado

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