



Industrial Revenue Bond Program

Industrial Revenue Bond (IDRB) Program

Tax-Exempt Bonds

THE ECONOMIC
DEVELOPMENT
CORPORATION OF JACKSON
COUNTY

SERVED BY THE
ENTERPRISE GROUP OF
JACKSON, INC.

One Jackson Square
Suite 1100
P.O. Box 80
Jackson, MI 49204-0080

Phone: 517-788-4455

Fax: 517-782-0061

Email: atorres@enterprisegroup.org

dkelly@enterprisegroup.org

WHAT ARE TAX-EXEMPT INDUSTRIAL REVENUE BONDS

(IDRB's)? IDRB's are bonds issued by the Economic Development Corporation of Jackson County (EDC) to finance the acquisition, construction, installation or rehabilitation of certain qualifying economic development projects. The bonds are limited obligations of the EDC payable solely from revenues or other funds provided by the manufacturing company. The interest paid on the bonds is tax-exempt because of certain provisions in the Internal Revenue Service Code that allow governmental entities, such as the EDC, to issue tax exempt obligations that finance certain types of projects. These projects include manufacturing facilities (subject to capital expenditure limitations described below), facilities for nonprofit corporations that have been determined to be organized under Section 501(c)(3) of the Internal Revenue Code, solid waste disposal facilities and certain other exempt facilities permitted under the Internal Revenue Code.

WHAT TYPES OF MANUFACTURING FACILITIES CAN BE FI-

NANCED WITH IDRB's? An eligible project includes any facility (including equipment), which is used in the manufacturing, production, procession or assembly of "tangible personal property." The owner may not incur capital expenditures exceeding \$10,000,000 during a six-year period. A company should check with their CPA or the EDC's bond counsel to determine their eligibility and financial status.

PROCEEDS OF AN IDRB MAY BE USED IN CONNECTION WITH AN ELIGIBLE MANUFACTURING FACILITY PROJECT TO FINANCE:

- **The construction of a new manufacturing facility.**
"Manufacturing" facilities, including land, buildings, site work and equipment, plus certain soft costs and fees related to the financing, can be financed with the proceeds of IDRB's. "Manufacturing" includes any facility that is used (1) in the manufacturing or production of tangible personal property or (2) in a process, which results in a change in the condition of such property. Typically, any process that results in a change in, or adds value to, raw materials or other products can be considered a manufacturing process.
- **The acquisition of an existing facility** (if certain qualifying rehabili-