

Table 1. Tax Incentive Matrix for Urban and Rural EZs/ECs/RCs

Type of Benefit	Round I EZs	2 Round I Supplemental EZs (Los Angeles and Cleveland)	4 Round I Enhanced ECs	Round I ECs	Round II EZs	Round III EZs	40 Renewal Communities
Grants/Loan Guarantees							
\$100 million SSBG grant	X						
\$3 million SSBG grant		X ¹	X	X			
HUD EDI grant/Section 108 Loan Guarantee		X ²	X				
HUD EZ grant					X ³		
Wage Credits							
EZ Employment Wage Credit	X	X			X ⁴	X	
Renewal Community Employment Credit							X ⁴
Work Opportunity Tax Credit	X	X	X	X	X	X	X
Welfare to Work Wage Credit	X	X	X	X	X	X	X
Indian Employment Tax Credit	X	X	X	X	X	X	X
Deductions							
Increased Section 179 Deduction	X	X			X	X	X
Commercial Revitalization Deduction							X
Environmental Cleanup Cost Deduction	X	X	X	X	X	X	X
Depreciation of Property Used on Indian Reservations	X	X	X	X	X	X	X
Bond Financing							
Enterprise Zone Facility Bonds	X	X	X	X	X	X	
Qualified Zone Academy Bonds (QZABs)	X	X	X	X	X	X	X
Capital Gains							
Zero Percent Capital Gains Rate for RC Assets and DC Enterprise Zone Assets							X ⁵
Nonrecognition of Gain on Sale of Empowerment Zone Assets	X	X			X	X	
Partial Exclusion of Gain on Sale of Empowerment Zone Stock	X	X			X	X	
Other Incentives							
New Markets Tax Credit	X	X	X	X	X	X	X
Low-Income Housing Tax Credits	X	X	X	X	X	X	X

1. Cleveland only

2. Los Angeles received \$450 million; Cleveland received \$177 million.

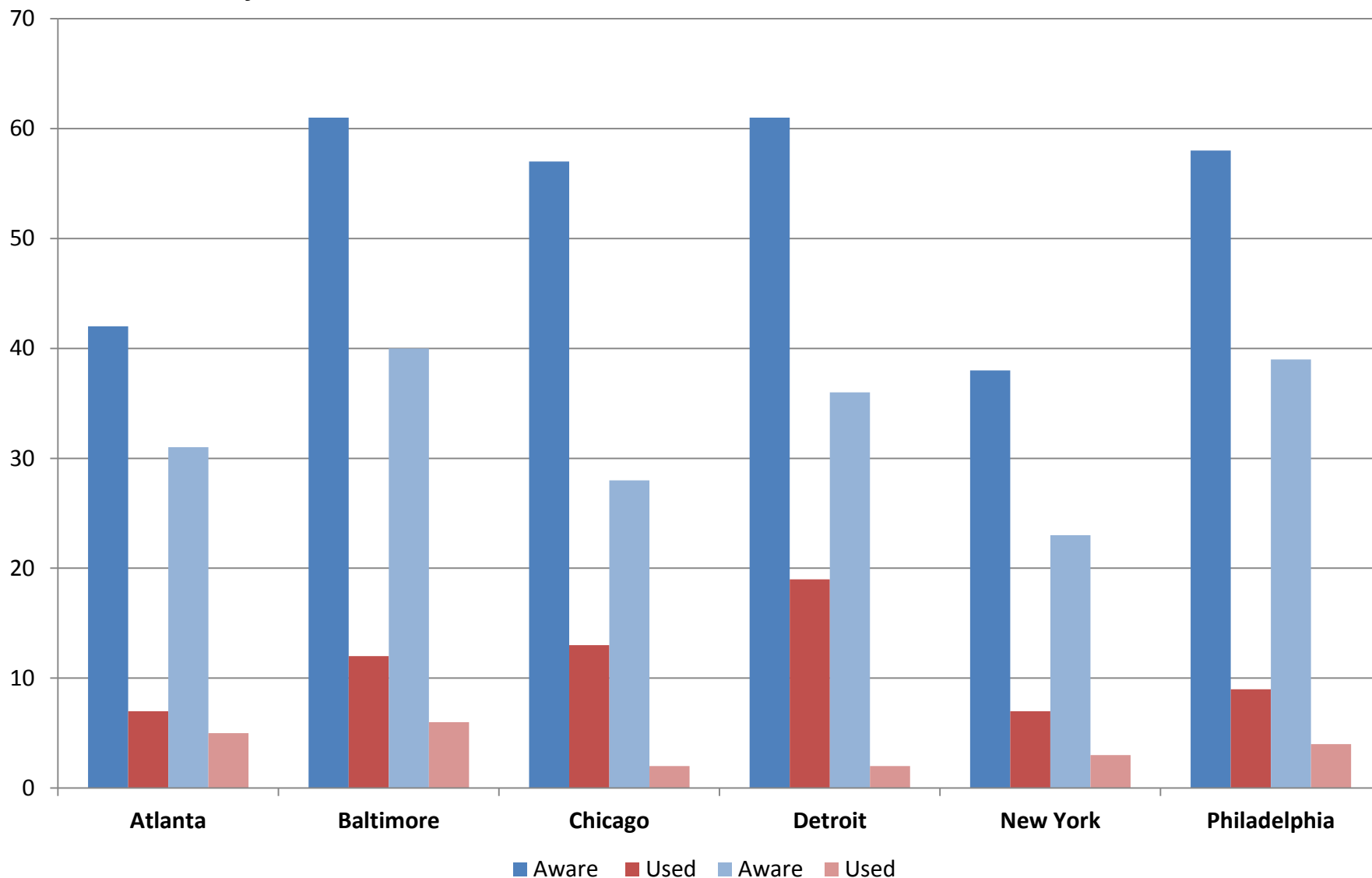
3. Subject to annual appropriation.

4. After December 31, 2001.

5. Also applicable to District of Columbia Enterprise Zone.

Business Awareness and Utilization of EZ Tax Incentives

Percent of businesses aware/utilized EZ tax incentives

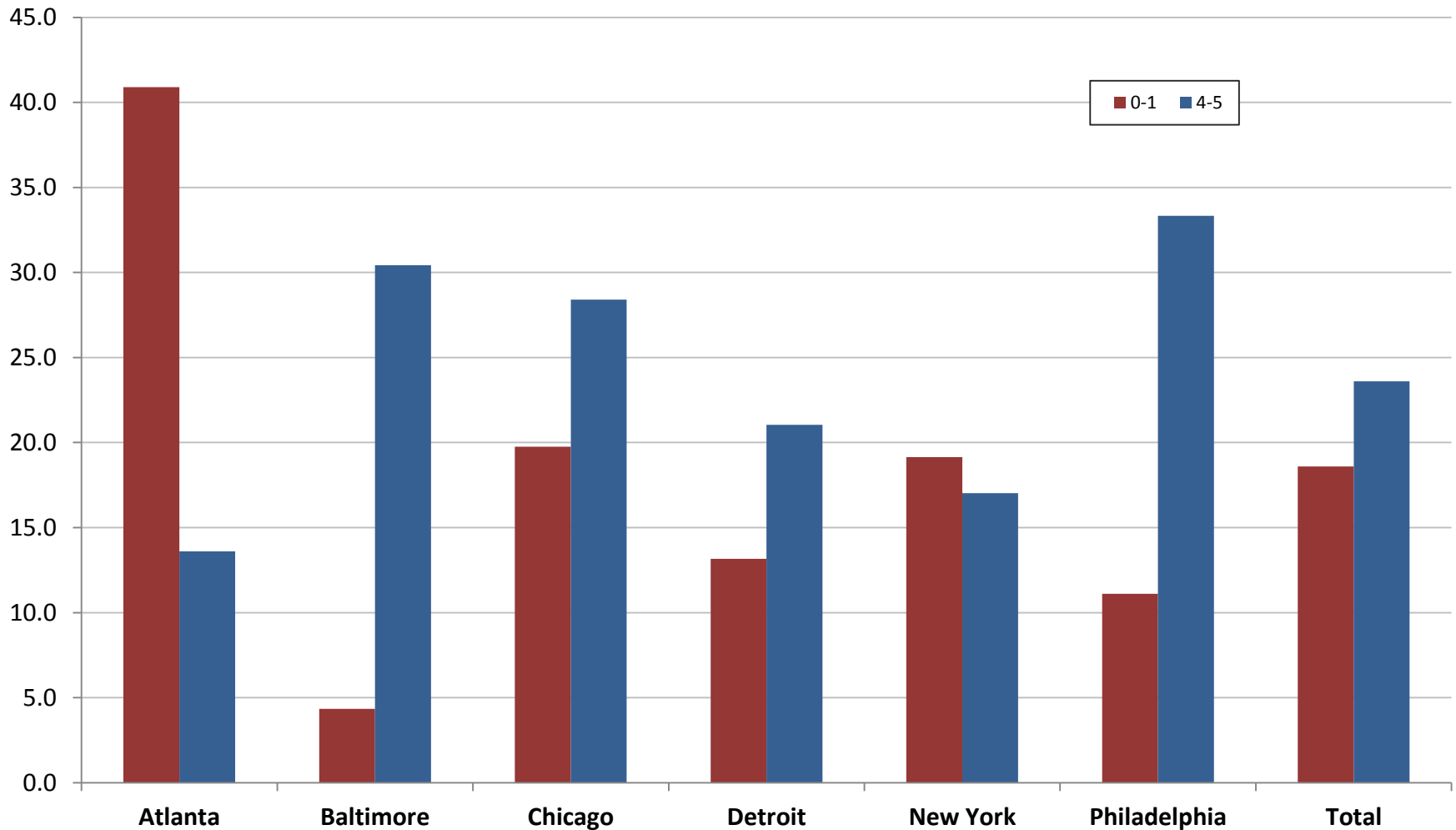


Wage Credit WOTC

Source: Hebert et al, *Interim Assessment of the EZ/EC Program*, 2001

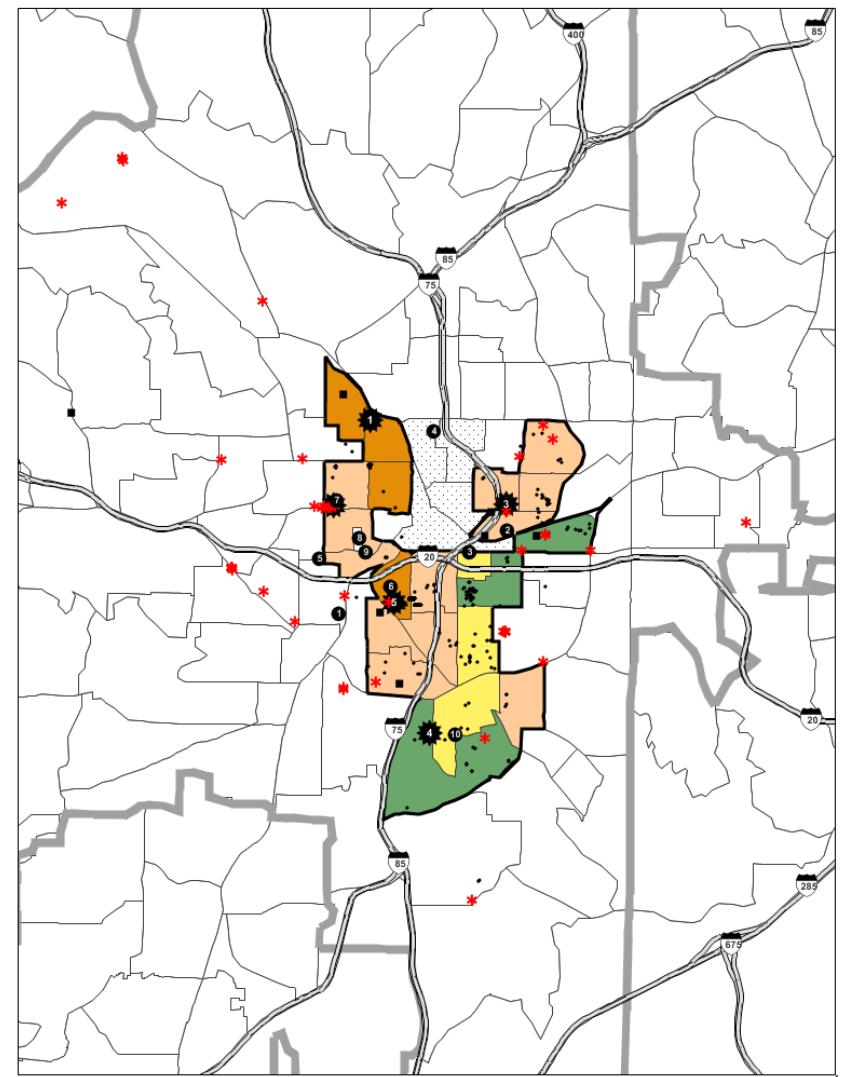
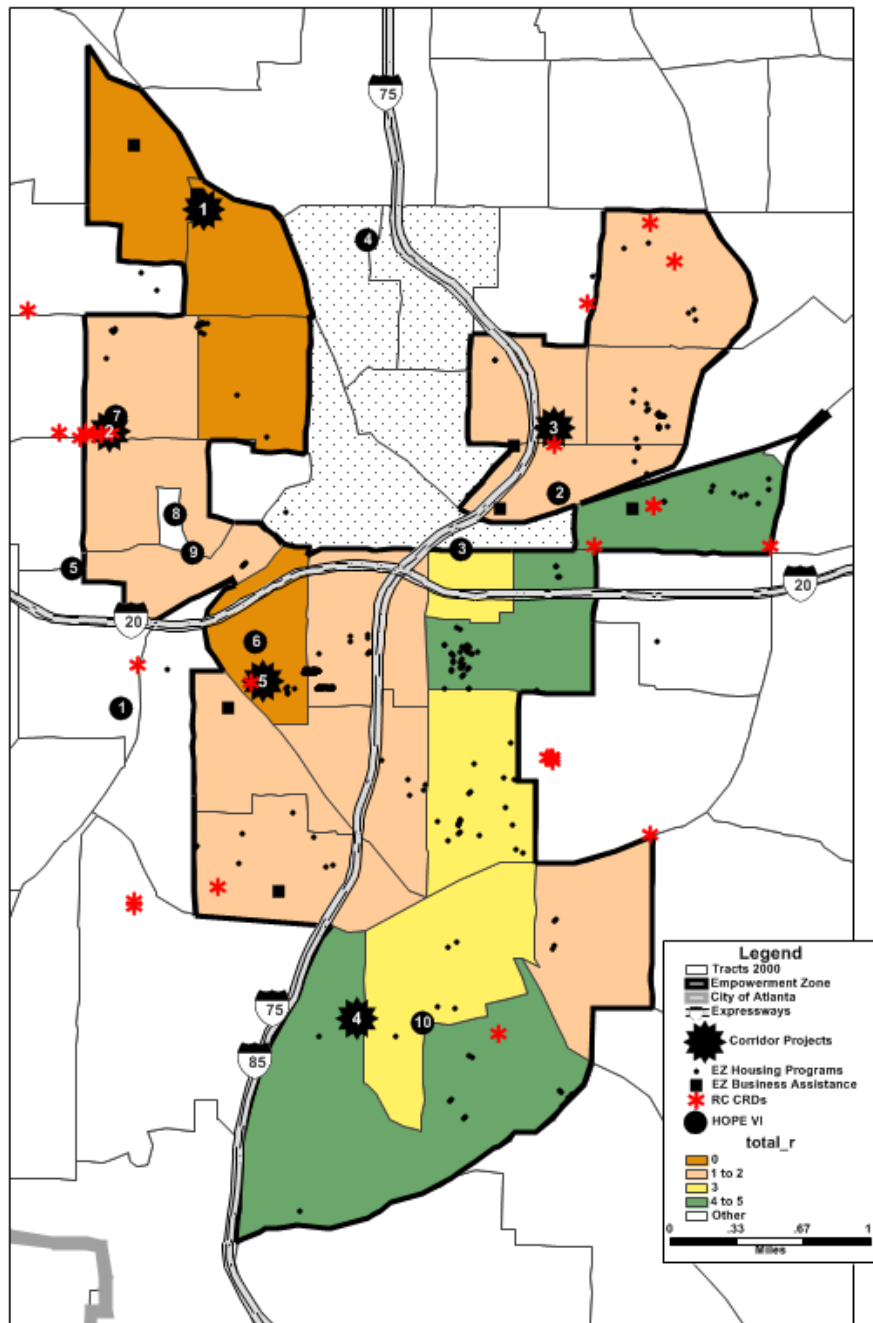
Empowerment Zone Outcomes

Percent of EZ tracts that fared better than their matched pair



Red bars-- % of EZ tracts that fared worse on 4 or 5 revitalization outcomes

Blue bars--% of EZ tracts that fared better on 4 or 5 revitalization outcomes



**Commercial Revitalization Deductions
in Atlanta Empowerment Zone and
Renewal Community**