

Keystone Opportunity Zone 'Fact Sheet'

The Keystone Opportunity Zone (KOZ) is a collection of properties, which enjoy an array of state and local benefits. Beginning in 1999, a new state law created the KOZ program to encourage people to live and do business in these special areas. The KOZ program was specifically designed to use these properties as platforms for increased community and economic development. It does so by virtually eliminating all state and local taxes for property owners, residents, and businesses in the KOZ.

Who is eligible for benefits under the KOZ program?

- Qualified businesses located in a KOZ
- Residents who live in a KOZ
- Property owners who own property in a KOZ

What taxes are exempted for qualified businesses?

When approved, qualified businesses are exempted from paying the following applicable taxes:

- Local property tax
- Local business privilege taxes
- Pennsylvania Corporate Net Income Tax
- Pennsylvania Personal Income Tax (on income derived from the operation of a business in the Zone)
- Capital Stock and Foreign Franchise Tax
- Sales and Use Tax (on purchases used and consumed by business in the Zone)

What taxes are exempted for residents?

When approved, qualified business are exempted from paying the following applicable taxes:

- Local property tax
- Pennsylvania Personal Income Tax
- Local Earned Income Tax

What taxes are exempted for property owners?

When approved, property owners are exempted from paying real estate taxes on their KOZ property.

What are the stipulations for businesses wishing to take advantage of the KOZ program?

Businesses relocating from out-of-state that own or lease property within the KOZ during the tax year, must:

- Be current in all local and state taxes, fees, and liens
- be compliant with all local and state regulations such as health and zoning
- be re-certified each year