

# Take a closer look at

## THE MILITARY REDEVELOPMENT ZONE PROGRAM (MRZ)



The Military Redevelopment Zone (MRZ) was created in 2006 in preparation for the 2011 closure of the Naval Air Station Brunswick (NASB) and the development of Brunswick Landing: Maine's Center for Innovation and the Topsham Commerce Park. Businesses will have the opportunity to greatly reduce or virtually eliminate state taxes for up to ten years.

### ■ MRZ PROGRAM

Business activity conducted in a MRZ, including the statutory requirement of hiring a minimum of one net new qualified employee, the tax burden of qualified businesses may be reduced through the following exemptions, reimbursements, and credits:

- **Corporate Income Tax Credit** (Years 1-5: 100%; years 6-10: 50%) Tax credit benefit derives from net new MRZ payroll and property as a percentage of all Maine payroll and property;
- **Insurance Premiums Tax Credit** (Years 1-5: 100%; years 6-10: 50%) Tax credit benefit derives from net new MRZ payroll and property as a percentage of all Maine payroll and property (only applies to Financial Services sector);
- **Income Tax Reimbursement** (Years 1-10: 80%) Tax reimbursement benefit derives from income taxes withheld for net new jobs created, i.e., those qualified employees hired above the "old" employment baseline that existed in Maine prior to the expansion may be eligible for Employment Tax Increment Financing;
- **Sales and Use Tax** (Years 1-10: 100% Personal Property Exemption) Tax exemption benefit, effective the later of July 1, 2005 or date of certification, derives from the qualified business paying no tax on all new tangible personal property purchases for its qualified business activity;
- **Sales and Use Tax** (Years 1-10: 100% Real Property Reimbursement) Tax reimbursement benefit, effective

the date of certification, derives from paying no tax on all new tangible property purchases that are to be physically incorporated in, and become a permanent part of, real property of a qualified business and used in its qualified business activity;

- **Access to reduced electricity rates** as requested by Central Maine Power, Bangor Hydro Company and Maine Public Service and approved by the Public Utilities Commission.

### ■ ZONE ASSETS

- Total area for designation of the MRZ at NASB is 1,000 acres available within the boundaries of the military facility upon closure of the base in 2011.
- Located in prime location adjacent to I-295 and Route 1 that annually attracts thousands of visitors and offers year-round recreational and cultural activities.
- Approximately 2.5 hours north of Boston and 30 minutes north of Portland, Maine's largest city.
- Populated with a highly-skilled workforce including engineers, professionals, skilled production workers and retirees.
- Local business and education: Bath Iron Works, a world leader in military vessel production, first-class medical facilities; Bowdoin College in Brunswick, and the Maine Community College system at NASB.



### ■ ELIGIBLE BUSINESS SECTORS

- Manufacturing, such as precision manufacturing technology
- Financial services
- Biotechnology
- Advanced technologies for forestry and agriculture
- Aquaculture and marine technology
- Composite materials technology
- Environmental technology
- Information technology