



For Immediate Release

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## **STATEMENT FROM MAYOR RON DELLUMS**

*Re: State Re-Designates Oakland as One of Eight Enterprise Zones*

**OAKLAND – January 31, 2008** – Today, Governor Arnold Schwarzenegger named Oakland as one of eight enterprise zones statewide to help boost California’s Economy. By encouraging entrepreneurship and employer growth, this program creates and sustains expansion in various communities. Each zone designation is in effect for 15 years.

“In order to truly move Oakland forward, we need to create an environment in which our economy can continue to prosper, but we cannot do that without the collaboration and support from our partners at the state level. The Oakland Enterprise Zone is an impetus for substantial social and economic advancement that will raise the quality of life and create countless jobs and opportunities for generations to come. I thank Governor Schwarzenegger and all other state representatives involved for their leadership and continued support for our city,” said Mayor Dellums.

According to the Governor’s Office, businesses within Enterprise Zones are eligible for substantial tax credits and benefits, for example:

- Firms can earn \$37,440 or more in state tax credits for each qualified employee hired.
- Corporations can earn sales tax credits on purchases of \$20 million per year of qualified machinery and machinery parts.
- Up-front expensing of certain depreciable property.
- Lenders to Zone businesses may receive a net interest deduction.
- Unused tax credits can be applied to future tax years, stretching out the benefit of the initial investment.
- Enterprise Zone companies can earn preference points on state contracts.
- Up to 100 percent Net Operating Loss (NOL) carry-forward. NOL may be carried forward 15 years.

The mayor strongly encourages businesses to immediately take part in this program. Businesses can contact Susana Villarreal at 510-238-7794 or go to [www.oaklandwib.org](http://www.oaklandwib.org).