

# CREATIVE COMMERCIAL GROUP

## COMMERCIAL REAL ESTATE IN HOLLYWOOD: The Hollywood Enterprise Zone

C & I Tax Consultants

### DID YOU KNOW ABOUT THE BENEFITS OF THE HOLLYWOOD ENTERPRISE ZONE?

By Jenny Pruneau

Recently, California designated Hollywood as an Enterprise Zone. This means that businesses operating in Hollywood can receive significant tax breaks including a tax credit of up to \$37,000 per "qualified employee" over a five year employment period. A qualified employee is one that meets one of thirteen designated criteria such as local residency, veterans, government benefit recipients, etc. In addition, the Enterprise Zone also allows businesses to receive a credit on the Sales or Use Tax paid for equipment and machinery purchased and used in the Zone. Such equipment includes computers, machinery, security systems, motion picture manufacturing equipment, etc. Last, Hollywood businesses can negotiate better loan terms on loans because institutions that lend money to Enterprise Zone businesses don't pay tax on the interest income they earn from the loan.

These credits are a dollar for dollar credits against a company and its shareholder's California tax obligation. California is not known for being the most business friendly state in the union. The Enterprise Zone Credits, however, offer a tremendous benefit that very few businesses are taking advantage of. Find out how to decrease your tax burden and increase you cash flow with the Enterprise Zone Credits.

**YOU COULD BE PAYING LESS MONEY IN TAXES... NOW!**



For Additional Information Contact:

**Jenny Pruneau,**  
**VP of Client Development**  
**310-417-1048**



**Nicole Mihalka**

Vice President

p: 818.333.2210

Nicole.Mihalka@daumcommercial.com

**Mark Masliah**

Associate

p: 818.333.2228

Mark.Masliah@daumcommercial.com

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