

TECHNICAL ADVISORY #1 – FEBRUARY 20, 2018

To: Enterprise Zone Contacts, Continuing Education Deans
From: Michelle Fehr
CC: Susan Pretulak

November 14, 2017 I sent an email to each college with its list of companies. The email was to let you know of the Annual Training Plan Review due by January 31, 2018 and to identify companies out of compliance with Annual Reports and EZA quarterly returns.

The following information will highlight some 2015/2016 EZone compliance issues as well as provide information to make sure new companies are properly briefed on the requirements of the program.

Requirements:

- Each individual company must apply for and be approved to participate in the program
- Each individual company is responsible for providing their correct Federal Identification Number and SC Withholding Number on their EZone Retraining Application. *The Department of Revenue (DOR) uses this information to process EZA Returns and pay refunds.*
- Each company must file Quarterly 1605Z and 1606Z ERZ Returns (respectively) to the DOR regardless of amount claimed. **Even if a company has spent \$0 for training during a quarter, it must still file a report.**
- Each company must submit Course Additions with the current Training Plan for review to their technical college, and receive approval from the State Board for Technical and Comprehensive Education (SBTCE) **PRIOR** to training (*allow as much time as possible for processing*).

Important Administrative dates:

- **Quarterly** file 1605Z and 1606Z EZA Returns (respectively) to the DOR
- **Annual Renewal Fee** billed by and paid directly to DOR regardless of amount claimed (assessed during **3rd quarter**)
- **Annual Report** emailed by SBTCE to companies mid-April; **due by June 30** each year
- **Annual Training Plan Review** emailed to colleges mid-November; **due by January 31** each year

Common challenges and issues:

- Many companies do not enter correct FEIN and SCWN on application; this **stops the DOR's ability** to process EZA Returns and issue refunds
- Many companies do not file EZA 1605Z and 1606Z, or Annual Report; this could cause the company to have a lien or penalty put on the company by the DOR, and possible \$500 penalty from the SBTCE.
 - Tip: Involve a company employee responsible for filing taxes during EZone Retraining Program discussions and prior to application being submitted.

Things to implement/remember (College):

- Training Plans must stay in the working Excel format and must go through a review by the college every year. This training plan review is due Jan. 31
- Pull current forms for submitting applications and Course Additions from the website (we are constantly improving and updating the documents).
- Once a company is approved to participate in the program, send them our Tracking/Calculating Spreadsheet with instruction booklet (Jan Bedenbaugh is our contact for the colleges regarding the spreadsheet and instructions).

College review of submitted documents:

- Determine eligibility of course(s) and employees to be claimed.
- EZone Tracking Number is accurate and contact information is up to date.
- **Course Title – Hours – Justification** information is the exact same between Course Addition and Training Plan documents.
- Signatures (official digital signatures accepted) and dates are submitted.

Things to look forward to:

- Webinar style training on EZone Retraining Program and Processes as well as Tracking/Calculating Spreadsheet
- Annual Regional Training for new college EZone representatives and refresher training for our long time reps

Details of the program along with legislative requirements can be found in the “Operating Guidelines” on our website:

<https://www.sctechsystem.edu/business-and-industry/e-zone-program.html>

I am currently working with DOR and college EZone representatives to get all participating companies caught up and in compliance and have seen a good push from the field to help make this happen. Because the “clean up” is a cumbersome task, it will be a while longer before I send an update on companies.

Please reach out with questions and have a great day, Michelle,

Michelle Fehr | Program Manager

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