

## QUALIFIED BUILDING MATERIALS

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In order to qualify for the sales tax deduction, the materials being purchased must be building materials. That is, they must be purchased for physical incorporation into real estate. Qualified building materials include:

1. Common building materials such as lumber, bricks, cement, windows, doors, insulation, roofing materials and sheet metal;
2. Plumbing systems and components thereof such as bathtubs, lavatories, sinks, faucets, garbage disposals, water pumps, water heaters, water softeners and water pipes;
3. Heating systems and components thereof such as furnaces, ductwork, vents, stokers, boilers, heating pipes and radiators;
4. Electrical systems and components thereof such as wiring, outlets and light fixtures which are physically incorporated into the real estate;
5. Central air conditioning systems, ventilation systems and components thereof which are physically incorporated into the real estate;
6. Built-in cabinets and other woodwork which are physically incorporated into the real estate;
7. Built-in appliances such as refrigerators, stoves, ovens and trash compactors which are physically incorporated into the real estate;
8. Floor covering such as tile, linoleum and carpeting that are glued or otherwise permanently affixed to the real estate by use of tacks, staples, or tacking strips.

Building materials that **DO NOT** qualify for the sales tax deduction include those items which are not physically incorporated into the real estate:

1. Tools, machinery, equipment, fuel, forms and other items which may be used by a construction contractor at an enterprise zone building site, but which are not physically incorporated into the real estate;
2. Free-standing appliances such as stoves, ovens, refrigerators, washing machines, portable ventilation units, window air conditioning units, lamps, clothes washers, clothes dryers, trash compactors and dishwashers which may be connected and to and operate from a building's electrical or plumbing system but which do not become a component of those systems do not qualify for the deduction;
3. Floor coverings that are area rugs or that are attached to the structure using only two-sided tape do not qualify for the deduction.

# PERMIT FEE WAIVER

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In the case of any and all permit fees required and charged by the city for the rehabilitation, expansion or new construction of any commercial, industrial, manufacturing or community development assisted projects, such permit fees (but not the permits themselves) shall be waived in their entirety.

The permit fee waiver **SHALL INCLUDE** all fees charged for the following for which a building permit is otherwise required and has been obtained for such rehabilitation, expansion or new construction:

- building
- plumbing
- electrical
- demolition
- excavation

The permit fee waiver **SHALL NOT INCLUDE** permit fees charged for the mere repair or replacement of electrical, plumbing or mechanical systems not undertaken in connection with such rehabilitation, expansion or new construction.