

- Tax credits for new jobs created, research and development, improvements to existing buildings, and job training for businesses within the enterprise zone
- State sales and use tax exemptions on equipment used in manufacturing or mining in the enterprise
- A 3% tax credit for investment in property used within the enterprise zone

Arkansas (www.aedc.state.ar.us/climate/exemptions.html)

- Entire state has been declared an enterprise zone
- Sales tax exemptions for machinery, equipment and building materials
- Corporate income tax credit equal to the average hourly wage of each new employee with a \$2,000 cap per employee, multiplied by 100; if the area has an unemployment rate of at least 3% above the state average, a multiplier of 200 is used.
- Property exemption for all finished goods and raw materials awaiting shipment to out- of-state customers

Tax Free Zones in Arts Districts

In Rhode Island tax free zones have been established to promote the growth of arts districts. The cities of Pawtucket and Westerley have implemented zones that allow artists who live and sell their work within the district an exemption on the state sales tax. Local politicians are hoping the incentives will attract artists to the area, which in turn will generate tourism. However, some Pawtucket artists have expressed their doubts about the effectiveness of the tax incentives, given that many sell much of their work outside of the tax free zone (*Providence Journal Bulletin* 12/20/98, pg. 15C).

Connecticut offers tax incentives to promote the arts. Arts "manufacturing facilities" located within enterprise zones are exempt from property taxes on improvements of the buildings. These facilities include any building manufacturing products for the entertainment industry such as multi media goods and goods for live entertainment. Goods used by establishments whose primary function is gambling and alcohol consumption are excluded from the tax abatement (General Statutes of Connecticut, 1997).

New York Tax Free Weeks

New York State has conducted five tax-free weeks since 1996. During these weeks most clothing and footwear und

