

Economic Development Incentives

Griffiss International Airport

Description of Benefits

Benefits for Empire Zone certified companies

- **Wage Tax Credit:** Available to companies hiring full-time or full-time equivalent employees in the zone. Credits are available for up to five consecutive years. Credits are \$1,500 per employee; for employees in special targeted groups the amount is raised to \$3,000 per employee per year. In investment zones, this credit is increased by \$500 for workers with wages over \$40,000. Unused credits can be forwarded indefinitely and new businesses (those that have been taxable for five years or less) are eligible for a 50% refund of unused credits.
- **Investment Tax Credit:** Available to companies making an investment in the zone for depreciable property and/or equipment which is principally used in manufacturing, processing, assembly, industrial waste treatment or air pollution-control facilities, R&D or financial institutions. 10% (8% for personal income tax filers) of the eligible investment can be taken for credit. Unused credits can be forwarded indefinitely and new businesses are eligible for a 50% refund of unused credits.
 - An additional **Employment Incentive Credit** equal to 30% of the investment tax credit is available for each of the three years after the Investment Tax Credit (ITC) is claimed if employment is increased when the investment is made. Unused credits can be forwarded indefinitely and new businesses (personal income tax only) are eligible for a 50% refund of unused credits.
- **Zone Capital Credits:** A 25% tax credit is available for personal or corporate income tax payers for eligible investments in certified zone businesses, or contributions to approved community development projects. There is a lifetime limit of \$100,000 in zone capital credits per contributor for Community Development Projects and \$100,000 lifetime limit in zone capital credits per investor in a Direct Equity

Investment project.

- **NYS Sales Tax Refund:** A refund of the State portion [4%; 4.375% in the MTA region] of the sales tax is available for the purchase of building materials used in the construction, expansion or rehabilitation of industrial or commercial property located in a zone. Empire Zone certification is not a requirement to receive this benefit; however, the purchaser must be buying for a property in the zone.

Enhanced benefits for Qualified Empire Zone Enterprises (QEZE)

To receive Qualified Empire Zone Enterprise (QEZE) enhanced zone benefits, a business must be zone certified under the requirements outlined in the eligibility and certification section and must pass additional tests based on the business' employment history and operations. Discuss QEZE eligibility with your local zone coordinator.

- **Sales Tax Benefit:** A credit or refund from the State portion of the sales tax is available for most goods and services used directly and predominantly in the zone. For businesses certified on or after April 1, 2009, the state portion of the sales tax benefit is only available if counties or municipalities that have imposed local sales tax offer a similar credit or refund of the local sales tax. If a county or municipality offers a similar credit or refund of the local sales tax, such offer would extend to all QEZEs regardless of when they were certified. For additional information and instructions on how to claim the QEZE sales tax refund or credit, click on the below link to the NYS Department of Tax and Finance.
- **Real Property Tax Credit:** A credit for real property taxes paid based on a formula that considers job creation, wages and benefits or investments made in the zone. Further calculations may apply depending on a business' location in either an Investment Zone or Development Zone. This credit is available for 10 years and unused credits may be obtained as a cash refund in the year they were earned.
- **Tax Reduction Credit:** A credit against tax equal to a percentage of income taxes attributable to the zone enterprise based on its employment growth in the zone. This credit is available for 10 years and can reduce a company's tax liability to zero – eliminating the alternative minimum and fixed dollar minimum tax.

The [NYS Department of Tax and Finance](#) provides more information on Empire Zone tax incentives.

Local Benefits

Municipalities designated as Empire Zones may also offer additional incentives including sales tax refunds, and property tax abatements for real property improvements in the Zone. Many utility companies (including gas, electric and telephone services) also offer rate reductions to certified Empire Zone businesses. Check with the local zone administrator to see what additional reductions are available in your municipality.

Empire Zones

Summary

New York State's Empire Zone program was created to stimulate economic growth through a variety of State tax incentives designed to attract new businesses to New York State and to enable existing businesses to expand and create more jobs.

Today, there are over 8,700 certified businesses employing more than 344,000 people in 85 Empire Zones statewide. A map of the 85 zone locations may be found by reviewing the Empire Zones "NYS Zone Map" section of Empire State Development's website.

Eligibility & Certification

To participate in the Empire Zones Program, a business must first be located in an empire zone, or qualify as a regionally significant project, and become zone certified. To qualify for certification, a business must be able to demonstrate that it will create new jobs and/or make investments in the empire zone and be consistent with the local zone's development plan, including a cost-benefit analysis.

Applications approved by local zone officials are then forwarded to the State for review and approval by the Departments of Economic Development (Empire State Development) and Labor. Contact your local [zone coordinator](#) to discuss whether your business qualifies for zone certification. Once a business is certified it is eligible to claim tax credits, subject to requirements and performance based formulas set in Tax Law.

Taxes & Incentives

New York State has become the nation's leader in cutting taxes. Nearly all taxes in New York State have been cut, with substantial reductions achieved in business, estate, sales, property and personal income taxes. New York State now has one of the lowest corporate income tax rates in the Northeast.

In addition to lower taxes, New York offers a variety of incentives to companies expanding or relocating in the Empire State. These include:

- **Investment Tax Credit (ITC).** Businesses that create new jobs and make new investments in production property and equipment may qualify for tax credits of up to 10% of their eligible investment. New businesses may elect to receive a refund of certain credits, and all unused credits can be carried forward for 15 years.
- **Research and Development Tax Credit.** Investments in research and development facilities are eligible for a 9% corporate tax credit. Additional credits are available to encourage the creation and expansion of emerging technology businesses, including a three-year job creation credit of \$1,000 per employee and a capital credit for investments in emerging technologies.
- **Sales Tax Exemptions.** New York State offers exemptions for purchases of production machinery and equipment, research and development property, and fuels/utilities used in manufacturing and R&D. Other exemptions may be available through local Industrial Development Agencies (IDA.) A list of IDAs can be found at <http://www.empire.state.ny.us/pdf/idalist.pdf>.
- **Real Property Tax Abatement.** To encourage development, expansion, and improvement of commercial property, a 10-year property tax abatement is available to offset increased assessments due to improvements to business and commercial property.
- **No Personal Property Tax.** Unlike many other states, which tax both real property and personal property, property taxes in New York State are imposed on real property only. Personal property, whether tangible or intangible, is exempt from state and local taxes.

Economic Development Zone/Empire Zone Tax Credits

New York State has designated 72 zones as [Economic Development Zones/Empire Zones](#) (EZs), which offer a host of benefits. These include

discounts on electricity, enhanced tax credits for investment and job creation, and additional sales and property tax exemptions.

For more information on New York State's tax credits, exemptions and abatements, contact Empire State Development at 1 (800) STATE-NY or 1 (800) 782-8369. You may also contact George LaPointe at (518) 292-5300 or email: glapointe@empire.state.ny.us.

Other Relevant Links

- For additional information, forms, and instructions for business tax incentives, visit [NYS Tax Department](#).
- For the New York State Tax Handbook, visit <http://www.tax.state.ny.us>.

Loan Discounts

New York State can assist your business with low-rate loans to modernize facilities and operations, access new markets, develop new products and improve overall competitiveness. Empire State Development offers the Linked Deposit Program (LDP), a public-private partnership that provides businesses with affordable capital based on bank loans at reduced interest rates. These bank loans are subsidized by corresponding "linked" state deposits.

The Linked Deposit Program Provides:

- The ability for eligible businesses to obtain loans from commercial banks, savings banks, savings and loan associations, farm credit institutions and the New York Business Development Corporation.
- A two to three percentage points savings on the prevailing interest rate for "Linked Loans," to make borrowing less expensive.
- A maximum loan amount of \$500,000 for four years.

For additional information, click to download a [List of Participating Lenders](#), [Linked Deposit 2009 Annual Report](#) and [Frequently Asked Questions](#).

Linked Deposit Program application forms are available below in both PDF and MS Word formats. The version in Word format is best if you plan to print the form and then fill it in by hand.

The PDF version is a protected file that has "fillable" fields into which you can type using your computer.

To fill the fields, click on or tab to the line and type in your entry; if you click on a yes/no box a "checkmark" will appear in the box. To print, click on the PRINT button at the end of the form.

- [Linked Deposit Program Application](#) (PDF format) *
*Requires you to have the free Adobe Acrobat Reader installed on your computer to complete the form electronically.
- [Linked Deposit Program Application](#) (MS Word format)

We Can Assist:

- Manufacturing businesses with 500 or fewer full-time New York State-based employees.
- Service businesses with 100 or fewer full-time NYS-based employees. Service businesses must be independently owned and operated and not dominant in their field. Personal and professional service businesses are not eligible for this program.
- Businesses in an [Economic Development Zone/Empire Zone](#) (EDZ) with 100 or fewer full-time NYS-based employees.
- Businesses located in a highly distressed area that have 100 or fewer full-time NYS-based employees.
- [NYS-certified minority-and women-owned businesses](#).
- Defense industry manufacturers planning projects to diversify production to take advantage of non-military markets.
- Any business with 100 or fewer full-time NYS-based employees undertaking a project to increase the business's export activities.

For more information on New York State's Linked Deposit program, contact LDP office at 518-292-5261 or email Linkeddeposit@empire.state.ny.us.

Financial Incentives

New York offers financial incentives to assist with your company's site location, new facility construction, existing facility expansion or modernizing existing operations -- all of which can be tailored to the size and scope of your project.

We can provide financial assistance for:

- Acquisition of land and buildings or machinery and equipment.
- Construction or renovation of buildings to house business operations, including lease-hold improvements.
- Construction or improvement of infrastructure required for new

- location or expansion.
- Working capital.
- Employee training.
- Expanding your company's export opportunities.
- Productivity enhancement.

We offer financial assistance through:

- Direct loans and/or grants to businesses for a portion of the eligible project costs.
- Interest rate subsidies in the form of a grant or linked deposit with the lending institution, to reduce the cost of borrowing from private sector financial institutions.
- Loans and grants for working capital assistance in specialized situations.
- Infrastructure assistance in the form of a loan and grant combination for a portion of the cost of the infrastructure project.

We can assist:

- Manufacturers
- Service Providers
- Warehouse and Distributors
- Research and Development Companies
- Tourism/Destination Businesses
- Minority- and Women-owned Businesses

For additional information contact the nearest [ESD Regional Office](#).

Energy Savings

We Give You the Power to Save on Energy Costs

Thriving economies depend on reliable energy supplies and competitive pricing to drive economic growth. The restructuring of New York State's monopolistic electric industry has provided more choices to customers and delivered approximately \$4.4 billion in rate reductions since 1966.

New York State and the electric and gas utilities serving the State offer a variety of energy cost saving programs that help businesses reduce costs,

preserve and create jobs, and boost economic growth.

An example is New York State's successful [Power for Jobs Program](#), which provides 450 megawatts of low cost electricity to businesses that remain and expand in the State. Since 1997, Power for Jobs has helped to create and retain over 300,000 jobs at over 450 businesses. In accordance with the program, after a company fulfills the requirement to retain or create a specific number of jobs, it receives energy cost savings that range from 10 to 25% depending on usage and local utility delivery charges.

In addition, New York State offers technical services and capital financing to help businesses identify and implement cost-effective, energy-efficient measures. Technical services include engineering feasibility studies, technical training on energy efficient technologies, and engineering support for [project financing proposals](#). The energy-related technical assistance and capital financing programs are available to industrial, commercial, not-for-profit and private institutions.

The highly successful Build Now-NY Program offers "shovel ready" pre-approved, pre-permitted sites that include [competitive energy prices](#). Another program grants reduced electric and gas rates to eligible companies locating within [New York State Empire Zones](#).

Further savings are available directly through New York State's electric and gas utilities. They offer rate discounts to companies that build new facilities, occupy vacant space, relocate to benefit from alternative energy sources, move or expand in areas designated as economically distressed, and move to or expand in areas with [underutilized utility infrastructure](#).

For more information on New York State's energy cost savings programs, contact Empire State Development at 1-800-STATE-NY or 1-800 782-8369 or contact Keith Corneau e-mail: kcorneau@empire.state.ny.us.