

Tax Incentive Programs

Industrial and Commercial Incentive Program (ICIP)

ICIP grants tax exemptions on real estate property taxes for renovated and newly constructed commercial and industrial buildings. Benefits can last up to 25 years. Industrial properties can also receive partial real estate tax abatements for 12 years. Companies must apply prior to receiving a building permit. Properties must be improved by at least 10% of their assessed values to qualify for the exemption. For the industrial abatement, properties must be improved by at least 25% of their assessed values. The NYC Department of Finance administers the program. For more information visit: http://www.nyc.gov/html/dof/html/property/property_tax_reduc_incentive.shtml.

To access an application visit:

<http://www.nyc.gov/html/dof/html/pdf/icipre.pdf>.

Rent Abatements for Commercial and Industrial Tenants (CEP)

CEP is a package of tax benefits designed to help businesses relocate and expand in targeted expansion areas of the City. Qualified tenants can receive a rent credit up to \$2.50/SF. It is available to industrial and non-retail commercial businesses signing new, expansion, or renewal leases in areas of the City zoned M1,M2,M3 and C4,C5,C6, excluding Manhattan south of 96th Street with the exception of the Special Garment District. Businesses must sign a lease of at least three years and make a minimum investment of \$2.50/SF. Benefits will mirror the length of the lease. Industrial businesses may receive benefits for up to ten years. Please note: an application MUST be filed within 180 days of lease commencement.

For more information visit:

http://www.nyc.gov/html/dof/html/property/property_tax_reduc_expansion.shtml.

To access an application visit:

<http://www.nyc.gov/html/dof/html/pdf/01pdf/cepa.pdf>.

Relocation and Employment Assistance Program (REAP)

A 12 year annual tax credit of \$3,000 for each qualified job relocated into a targeted CEP area, or \$1,000 in non-CEP areas. Benefits for new hires are also available. Businesses must relocate either to a building improved by at least 50% of its assessed value or sign a lease of at least 3 years and spend a minimum of \$25 per square foot on improvements. Businesses relocating from outside New York City or from Manhattan below 96th Street to any other area of the City qualify. REAP benefits are also available to businesses relocating into Lower Manhattan. Retail firms are ineligible. Restrictions exist for businesses moving from south of Houston Street. For more information visit:

http://www.nyc.gov/html/dof/html/property/property_tax_reduc_reap.shtml.

To access an application visit:

<http://www.nyc.gov/html/dof/html/pdf/04pdf/reap.pdf>.

Industrial Business Zone (IBZ) Relocation Credit

The City provides a one time tax credit for manufacturing firms moving or expanding into targeted IBZs. Businesses are credited for eligible moving costs up to the lesser of \$1,000 per full-time employee relocated or \$100,000. Firms must apply for the credit within the same tax year as the move. General Corporation Tax filers can find the IBZ tax credit here:

http://www.nyc.gov/html/dof/html/pdf/06pdf/nyc9_6_06.pdf.

Unincorporated Business Tax filers can find the IBZ tax credit here:

http://www.nyc.gov/html/dof/html/pdf/06pdf/nyc114_6_06.pdf.

Manufacturing Assistance Program (MAP)

MAP is a program that provides grants to firms looking to invest in projects that will significantly improve productivity or competitiveness. Firms that employ 50-1,000 workers are eligible to apply for MAP funds. For more information visit:

http://www.empire.state.ny.us/Manufacturing_&_Environment/manufacturing_assistance_program.asp.

Greenpoint-Williamsburg Relocation Program

This fund was created to assist businesses affected by the rezoning of Brooklyn Community Board 1 effective May 1, 2005. Businesses affected by the rezoning may be eligible for a grant to help offset their moving costs. Only firms that relocate from the affected area to another part of NYC (exclusive of Manhattan south of 96th Street) are eligible for this program. Applicants MUST apply prior to the execution of a new lease or contract of sale. Other restrictions may apply. To access an application visit:

http://www.nyc.gov/html/sbs/nycbiz/downloads/pdf/GPW_Apupdated.pdf.

NYS Film Production Tax Credits

Qualified film and television productions can receive a 10% State tax credit along with a 5% City tax credit on eligible production costs. Tax credits are available for feature length films, television pilots and television series. At least 75% of the total stage work must occur at a qualified facility.

For more information visit:

http://www.nyc.gov/html/film/html/incentives/tax_credit_overview.shtml.

To access an application visit:

<http://www.nyc.gov/html/film/downloads/FORM%20A.pdf>.

Industrial Relocation Grant (IRG)

IRG reimburses eligible manufacturing firms for moving costs when relocating within New York City. Eligible Industrial firms can receive the lesser of: 90% of eligible moving costs, \$4.00 per square foot of the move-out location or \$30,000. Grants are dependent upon available funds.

*** Additional Eligibility Criteria May Apply *** www.nyc.gov/imb

Energy Programs

Energy Cost Savings Program (ECSP)

ECSP reduces regulated electricity and natural gas costs by 45% and 35% respectively. Firms must either relocate out of targeted areas of the City or occupy space in buildings that have been approved for ICIP or IDA benefits and improve their property by at least 10% of its assessed value.

Companies moving into the City from outside the City are also eligible for benefits. The benefit is for 8 years followed by a 4 year phase out. Firms that manage and operate businesses within NYC or Empire State owned buildings which have been improved by 10% of assessed value may also qualify. Hotels and retail firms are ineligible. For more information visit: <http://www.nyc.gov/html/sbs/html/ecsp.html>.

To access an application visit:

http://www.nyc.gov/html/sbs/nycbiz/downloads/pdf/ecsp_application.pdf.

Business Incentive Rate (BIR)

Businesses that reoccupy vacant commercial or industrial buildings or move into newly constructed buildings may qualify for reduced electric rates. BIR reduces the delivery components of electricity bills by 30-35 percent.

Administered jointly between EDC and Con Edison and has a term of five years. For more information visit:

<http://nycedc.com/Web/FinancingIncentives/EnergySavings/BusinessIncentRate/BusinessIncentivesRate.htm>.

Gross Receipts Tax Credit

Industrial companies may take a tax credit for amounts paid to their electric, gas and steam utilities for gross receipts and related taxes. These taxes comprise approximately 3.4% of a business's electric, gas and steam utility bill. The credit may be applied to corporate or individual tax filers.

To access an application visit:

http://www.tax.state.ny.us/pdf/2006/killin/misc/df623_2006_fill_in.pdf.

Sales Tax Exemption for Manufacturers

NYC businesses are entitled to an exemption from the 8.25% City and State sales tax on purchases of electricity, fuel oil, natural gas and steam used directly and exclusively in the manufacturing, processing or assembling of tangible personal property for sale. To access an application visit:

http://www.tax.state.ny.us/pdf/2006/killin/st/st121_806_fill_in.pdf.

Reclaiming Sales Taxes Previously Paid

Manufactures that have paid taxes on energy purchases are eligible to apply for a rebate of overpaid taxes. The business must file an "Application for Credit or Refund of Sales or Use Tax" (AU-11) with the NYS Dept. of Taxation and Finance. Refunds are available for taxes paid within the last three years. To access an application visit:

http://www.tax.state.ny.us/pdf/1998/st/au11_1098.pdf.



Energy Efficient Commercial Improvement Program

Commercial owners are eligible for a deduction of up to \$1.80 per square foot by making major energy saving improvements to a property's lighting, hot water, and HVAC systems during 2006 and 2007. Upgrading insulation, metal roofs, and exterior doors and windows also count towards this deduction. This program is administered by the Empire State Development Corp.

Pollution Prevention Program

The Pollution Prevention program is a free, non-regulatory program that focuses on providing technical assistance and training to businesses to learn how to identify cost effective pollution prevention and environmental conservation opportunities for businesses in New York City. The program is administered by the NYC DEP's Environmental Economic Development Assistance Unit. For more information visit:

<http://www.nyc.gov/html/dep/html/pollprev.html>.



NYSERDA Programs

Enhanced Commercial/Industrial Performance Program

This program of both prescriptive and performance-based incentives now includes three tiers of programs, two of which apply directly to industrial businesses. **Tier I** (formerly Smart Equipment Choices) is designed to accelerate the implementation of energy-efficient equipment in small renovation and equipment replacement projects.

Tier III (formerly the Commercial/Industrial Performance Program) promotes energy-efficiency and demand reduction through capital improvements. Measurement and verification is required for most projects. The program is scheduled to close on September 30, 2008.

For more information and to access an application visit:

http://www.nyserda.org/programs/Commercial_Industrial/cipp.asp.

Peak Load Reduction Program

NYSERDA offers a Peak Load Reduction Program which provides grants for developing and implementing load-curtailment measures, permanent demand-reduction efforts, and dispatched emergency generators initiatives. Grants are also provided to purchase and install interval meters required by customers participating in load reduction programs.

For more information visit:

<http://www.nyserda.org/programs/peakload/default.asp>.

Technical Assistance / FlexTech

FlexTech provides financial incentives to conduct feasibility studies which identify efficiency improvements or provide guidance with energy-related process improvements, waste minimization opportunities, or improved productivity through capital improvements. Each project receives a customized cost proposal. NYSERDA will cost share 50% up to \$50,000 on selected Technical Assistance Studies, and up to \$100,000 for NYC-based ConEdison customers. Program participants may use their own consultant or may select one of NYSERDA's pre-qualified FlexTech consultants.

For more information visit:

http://www.nyserda.org/programs/Technical_Assistance/flexechoverview.asp.

Energy Audit Program

This program will provide energy audits to businesses to help implement energy-efficiency strategies. Audits help identify economically viable improvements that yield substantial annual energy savings and are available for various levels of energy users. For more information visit:

<http://www.nyserda.org/programs/energyaudit.asp>.

To access an application visit:

<http://www.nyserda.org/Programs/pdfs/energyauditform.pdf>.

(NYC is region 4).

New York Energy Smart Loan Fund

New York Energy Smart Loan Fund provides reduced interest rates to borrow money from participating lenders for energy-efficiency improvements and renewable technologies. Participating lenders offer loans at 4.0% below the interest rate normally available. The maximum loan is \$1,000,000 with a ten year term, available through April 2008. For more information visit:

<http://www.nyserda.org/loanfund/default.asp>.

Small Commercial Lighting Program

The SCLP provides businesses with an opportunity to implement effective, energy-efficient lighting solutions that provide better lit areas that cost less to operate. It provides training and assistance to businesses in designing and installing these systems in commercial areas of approximately 25,000 square feet. For more information visit:

<http://sclp.lightingresearch.org/index.asp>.

New Construction Program

The New Construction Program (NCP) can provide assistance to incorporate energy-efficiency measures into the design, construction, and operation of new and substantially renovated buildings. These measures are designed to save energy through reduced electric demand, and therefore reduce building operating costs.

For more information visit:

http://www.nyserda.org/programs/New_Construction/default.asp.

To access an application visit:

http://www.nyserda.org/programs/New_Construction/default.asp.

Green Buildings Program

The program provides cost-shared technical assistance and financial incentives to optimize performance of new buildings and buildings undergoing major renovations. It can also assist companies in obtaining LEED certification and the New York State Green Building Tax Credit.

For more information visit:

http://www.nyserda.org/programs/Green_Buildings/default.asp.

Solar and Wind Electrical Generation Programs

Cash incentives are available for the installation of small photovoltaic (PV) or solar-electric systems and wind generators. The program is only available for PV or wind systems purchased through an eligible installer. PV incentives are capped at 50kw for commercial installations and could help offset the total installation costs of a PV system by 40-70%. Wind incentives could help offset the total installation costs of a wind system by 15-70%.

For more information on solar programs visit:

<http://www.powernaturally.org/Programs/Solar/incentives.asp>

For more information on wind programs visit:

<http://www.powernaturally.org/Programs/Wind/incentives.asp>

Industrial Development Agency Programs

NYC Industrial Development Agency

NYCIDA helps businesses undertake capital expansions and to become more competitive by expanding their existing operations. Its mission is to encourage economic development, assist in the retention of existing jobs, and create and attract new ones. NYCIDA programs provide companies with access to triple tax-exempt bond financing or tax benefits to acquire or create capital assets, such as purchasing real estate, constructing or renovating facilities, and acquiring new equipment. For more information visit: <http://nycedc.com/Web/FinancingIncentives/NYCIDA/IDA.htm>.

To access an application visit:

<http://nycedc.com/Web/FinancingIncentives/NYCIDA/ApplicationProcess/ApplicationProcess.htm>.

NYC IDA Credit Enhanced Bond Program

Owners or developers of manufacturing facilities may finance the acquisition of buildings and equipment, renovation and construction. For more information contact:

NYCIDA@nycedc.com.

Manufacturing Facilities Bond Program

Manufacturers of tangible personal property acquiring, developing, renovating or equipping facilities for their own use can access triple tax-exempt bond financing and real estate, mortgage and sales tax reductions. For more information visit:

<http://nycedc.com/Web/FinancingIncentives/Financing/ManufacturingBondProg/ManufacturingBondProgram.htm>.

Industrial Incentive Program (IIP) and Small Industrial Incentive Program (SIIP)

This program enables qualified industrial companies to receive a mortgage recording tax waiver, up to a 25-year term real property tax abatement and exemption, and a sales tax waiver on purchases of materials used to construct, renovate or equip facilities. There are two categories of this program. To qualify for the IIP, companies generally must have revenues exceeding \$5 million and more than 100 employees. To qualify for the SIIP, companies generally must have revenues of less than \$5 million or fewer than 100 employees. For more information visit:

<http://nycedc.com/Web/FinancingIncentives/Financing/IndustrialIncentProg/>

Exempt Facilities Bond Program

Companies developing facilities on publicly-owned docks and wharves or developing solid waste recycling facilities can access triple tax-exempt bond financing. Reductions in mortgage recording and sales taxes may also be available. For more information visit:

<http://nycedc.com/Web/FinancingIncentives/Financing/ExemptFacilitiesBondProg/ExemptFacilities.htm>.

Machinery and Equipment Bond Program

Owners or developers of manufacturing, airport cargo and recycling facilities may qualify for triple-exempt IDA bonds. For more information contact NYCIDA@nycedc.com.

Workforce Development Financing

NYC Business Solutions Training Grant

NYC Business Solutions can provide employers with funding for up to 50% of training-related costs and technical assistance in preparing the application (maximum match \$300,000). NYC Business Solutions is looking for businesses based in and employing residents of New York City. Successful employer programs provide new or upgraded skill sets, job creation and retention, and the use of innovative technologies. Eligible costs are employee wages, employee release time, fees for the training provider, books, materials, software, and training space.

For more information visit:

http://www.nyc.gov/html/sbs/nycbiz/html/hiring/training_grant.shtml.

To access an application visit:

http://www.nyc.gov/html/sbs/nycbiz/downloads/pdf/training_grant_packet.pdf

Customized Hiring Assistance

NYC Business Solutions provides customized services at no charge to help local employers identify, recruit, pre-screen, prepare, and hire employees. Employers that work with NYC Business Solutions have access to a city-wide network of qualified jobseekers and a centralized point of contact for their hiring process.

For more information visit:

<http://www.nyc.gov/html/sbs/nycbiz/html/hiring/assistance.shtml>.



*** Additional Eligibility Criteria May Apply*** www.nyc.gov/imb

Industrial Competitiveness Programs

U.S. Foreign Trade Zone (FTZ)

An FTZ is a government-designated, restricted-access site used as an import/export financial management tool. The FTZ allows foreign and domestic merchandise to be admitted for storage, assembly, processing and manufacture, while reducing or eliminating duty on imports, exports, damaged goods and scrap. For more information visit:

<http://nycedc.com/Web/FinancingIncentives/AdditionalServices/ForeignTradeZones/>.

Trade Adjustment Assistance for Firms

TAA is a federal assistance program aimed at improving a manufacturer's competitive position (for import-impacted companies). Specifically, these matching funds are applied toward improvement projects in areas such as manufacturing, engineering, marketing, information technology and quality. The TAA Center funds 50-75% of project costs. For more information visit:

<http://www.taacenters.org/index.html>.

Export Marketing Assistance Service

EMAS helps NYS manufacturers find sales agents or importers/distributors abroad by employing the State's network of foreign offices. For more information visit:

http://www.empire.state.ny.us/Small_and_Growing_Businesses/global_markets.asp.

Environmental Investment Program

EIP provides funding for capital investments, research, development and demonstration, and technical assistance projects that produce measurable results in pollution prevention, reuse, and recycling. For more information visit:

http://www.empire.state.ny.us/Productivity_Energy_and_Environment/Environmental_Assistance/pollution_prevention.asp

Industrial Effectiveness Program (IEP)

Empire State Development provides assistance in identifying, developing, and implementing improved management and production processes to enhance efficiency, expand market share, and promote job growth through Industrial Effectiveness Grants. IEP shares the cost of technical and educational assistance to qualified manufacturing firms. For more information visit:

http://www.empire.state.ny.us/Productivity_Energy_and_Environment/industrial_effectiveness.asp.

Global Export Market Service (GEMS)

GEMS helps businesses expand through increased export activity. Aimed at small and medium companies, it can provide up to \$25,000 in export marketing consultant services for individual companies and up to \$50,000 for groups of companies or industry associations. Businesses will be evaluated before proposals are approved. For more information visit:

http://www.empire.state.ny.us/Small_and_Growing_Businesses/global_markets.asp.

Space Alliance Technology Outreach Program (SATOP)

SATOP provides free engineering assistance to small businesses. SATOP can help businesses solve technical challenges and transfer the knowledge and technology of the NASA space program to small businesses within the following engineering specialties: Mechanical, Manufacturing, Industrial, Electrical, Chemical, Structural, Electronics, Materials and Environmental. For more information visit: <http://spacetechsolutions.com/>.

Other Financing Programs

Bonding Technical Assistance Program (BTA)

The BTA helps New York City's small construction firms obtain surety bonds and working capital. BTA works with a network of governmental agencies, producers, surety agents and underwriters. These resources are used to help meet the bonding, management training and working capital needs of small construction contractors. For more information visit:

<http://www.banking.state.ny.us/sba/tap74.htm>.

Linked Deposit Program (LDP)

Administered by the Empire State Development Corp., LDP provides eligible businesses with affordable capital based on bank loans at reduced interest rates to modernize facilities and operations and improve overall competitiveness. Businesses can apply for a maximum loan amount of

\$1,000,000 for four years. For more information visit:

http://www.empire.state.ny.us/Tax_and_Financial_Incentives/Loan_Discounts/default.asp. To access an application visit: http://www.empire.state.ny.us/pdf/LDP_Application_2006.pdf

New York City Capital Access (NYCCA)

NYCCA is a public-private lending program that enables banks and community development credit unions to make loans to small and medium-size businesses that fall below the criteria for conventional bank loans. Term loans and lines of credit, ranging from \$1,500 to \$1 million, may be used for working capital, real estate acquisitions, machinery and equipment, and physical improvements to real estate. For more information visit:

<http://nycedc.com/Web/FinancingIncentives/AdditionalServices/NYCCapitalAccess/>.

SBA 504 Loan Program

Also known as the Certified Development Company Loan Program, the 504 Program is administered by the US Small Business Administration. Small business pair with local development corporations to obtain low-interest financing for major fixed assets such as land, building and equipment. For more information contact the local New York City SBA office:

<http://www.sba.gov/ny/ny/index.html>.

*** Additional Eligibility Criteria May Apply *** www.nyc.gov/imb

Empire Zone Incentive Programs

NYS Empire Zones Benefits

The EZ Program offers various tax credits and other business incentives to encourage attraction and expansion of businesses in designated economically distressed areas in the State. To be certified, businesses must be located in an Empire Zone, and increase either employment or capital investment. In addition to the tax credits that effectively reduce businesses' taxable income, the program also provides low interest loans and a 5% discount on monthly Verizon bills. For more information visit:

http://www.nylovesbiz.com/Tax_and_Financial_Incentives/Empire_Zones/descriptions_benefits.asp.

There are eleven Empire Zones in New York City:

Brooklyn: East Brooklyn,
North Brooklyn/Brooklyn Navy Yard,
Southwest Brooklyn
Bronx: Hunts Point & Port Morris
Manhattan: East Harlem,
Chinatown

Queens: Far Rockaway,
South Jamaica
Staten Island: North Shore, West
Shore

EZ Wage Tax Credit (WTC)

This credit is available for up to five consecutive years for companies hiring full-time employees in newly created jobs. For employees in special targeted groups, this credit equals \$3,000 per year, with a standard credit of \$1,500 per year for most new hires. The credit is \$4,000 per year under certain conditions. The credit is applied against State corporate / franchise taxes.

Zone Capital Credit

A 25% tax credit against personal or corporate income taxes is available for contributing or purchasing shares in a zone capital corporation; or for a direct equity investment in a certified zone business; or for contributions to approved community development projects within an EZ.

EZ Investment Tax and Employment Incentives Credit (ITC-EIC)

Businesses that create new jobs and make new investments in production, property and equipment may qualify for tax credits of up to 10% of the company's eligible investment followed by a 3% credit for the following three years if new employees are hired. The credit is applied against State corporate / franchise taxes.

New Business Refund

Businesses new to New York State are entitled to a 50% cash refund of unused EZ-WTC and ITC amounts. Other businesses may carry forward unused credits indefinitely.

QEZE Sales Tax Exemptions

Qualified Empire Zone Enterprises (QEZE) are granted a 10-year exemption from State sales tax on purchases of goods and services used predominately in such zone, including utility services and owned vehicles.

To access an application visit:

http://www.tax.state.ny.us/pdf/2002/st/df80_802.pdf.

QEZE Credit for Real Estate Property Taxes

Qualified Empire Zone Enterprises are allowed a refundable credit against their corporate franchise tax equal to a percentage of real property taxes paid based upon increased employment or capital improvements in the zone.

QEZE Tax Reduction Tax Credit

Qualified Empire Zone Enterprises are allowed a credit against their corporate franchise or related taxes based upon a percentage of taxes attributable to the zone enterprise.

Empowerment Zone Incentive Programs

Federal Empowerment Zone

Empowerment zones target tax incentives, performance grants and loans to designated low-income areas to create jobs, expand business opportunities and support people looking for work. For more information visit:

http://www.nycedc.com/Business_Incentives/Real_Estate/Real_Estate_g.html.

Facilities Bond Program

Developers of commercial, industrial or retail facilities, as well as other types of facilities within the NYC Empowerment Zones can access triple tax-exempt bond financing.

Reductions in mortgage recording and sales taxes may also be available. Borrowers must, among other requirements, commit to employ Empowerment Zone residents to be eligible for the program. For more information visit:

<http://nycedc.com/Web/FinancingIncentives/Financing/EmpowermentZoneProg/EmpowermentZone.htm>.

Employee Wage Credit

The Empowerment Zone employer wage credit provides an incentive to hire individuals who both live in the Empowerment Zone and work for an Empowerment Zone business. The wage tax credit is 20% of the first \$15,000 in wages paid to an individual who resides in the Empowerment Zone and works for an Empowerment Zone business, or up to \$3,000 per employee yearly, from 2000 to 2009.

Increased Section 179 Deduction

Section 179 Deduction allows businesses to deduct all or part of the cost of eligible property in the year the property is purchased and used. Businesses in an Empowerment Zone can increase their Section 179 deduction up to \$35,000 on this qualifying property. This deduction is taken instead of taking depreciation deductions over time.

*** Additional Eligibility Criteria May Apply *** www.nyc.gov/imb