

Small Business Incentive Programs

Businesses located in New York City are eligible for a wide variety of incentive programs offered through City, State, and Federal agencies. Incentives include tax benefits, energy and wage benefits, and technical assistance. Incentives are designed to support economic and neighborhood development in NYC while offering valuable services and savings to small businesses. Generally, incentive programs are triggered by one of four main activities: **relocating (to or within NYC); investing in equipment; purchasing and improving property; recruiting and training employees.** Summarized below is an overview of the commonly accessed incentives programs. For more information about these and other programs visit: www.nyc.gov/nycbusiness.

Industrial and Commercial Abatement Program (ICAP)

ICAP grants abatements on real estate property taxes for renovated and newly constructed commercial and industrial buildings. Benefits can last up to 25 years depending on location. Properties must be improved by at least 30% of their assessed value to qualify for the abatement. Industrial properties improved by at least 40% of their assessed value are eligible for an additional abatement. Restrictions on retail activity apply.

Industrial Development Agency (IDA)

Administered by the NYC Economic Development Corporation. IDA issues low-cost, double and triple tax exempt bonds to assist commercial and industrial businesses grow in the City. Projects may also qualify for abatements or exemptions on their mortgage recording taxes, real estate taxes and sales taxes.

Energy Cost Savings Program (ECSP)

ECSP reduces regulated electricity and natural gas costs up to 45% and 35% respectively for up to 12 years. Firms must either relocate out of targeted areas of the City or operate in property improved by at least 10% of the building's assessed value for firms applying jointly with the IDA; or 30% for firms applying jointly with ICAP. Companies moving into the City from outside the City or renovating City/State owned property may also be eligible. Hotels and retail firms are ineligible.

Recruitment and Training Funds

NYC Business Solutions Recruitment and Training Funds provide resources and funding to ensure that businesses can find and train the workers they need to succeed. NYC Business Solutions Recruitment helps employers identify, recruit, pre-screen, and hire employees, all at no cost to the business. NYC Business Solutions Training Funds provide up to 70% of training costs for NYC based employees (max of \$400,000) in nine priority sectors to address skill shortages in entry level positions.

Commercial Expansion Program

Qualified commercial or industrial tenants located in targeted Commercial Expansion Areas (zoned M1, M2, M3, C4, C5, C6) can receive a 3 or 5 year rent credit of up to \$2.50 per square foot. Benefits are based on the length of the lease and the size of the company. Investments into the business space are required. Retail firms and hotels are ineligible. Qualified manufacturing firms can receive a maximum of a 10 year benefit with no phase out. Landlords are required to pass the full savings to tenants.

Relocation and Employment Assistance Program (REAP)

A 12 year annual tax credit of \$3,000 for each qualified job relocated into targeted areas (\$1,000 in non-targeted areas). Benefits for new hires are also available. Businesses relocating from outside New York City or from Manhattan below 96th Street to any other area of the City qualify. Improvements to buildings are required. 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.

Industrial Business Zone (IBZ) Relocation Credit

A one time tax credit for manufacturing firms moving into targeted IBZs. Businesses are credited for eligible moving costs up to the lesser of \$1,000 per employee relocated or \$100,000. There are IBZs throughout the City.

Lower Manhattan Energy Program (LMEP)

Eligible commercial tenants located in Lower Manhattan can receive up to a 45% reduction on regulated electricity costs for 8 years followed by a 4 year phase out. Buildings must apply for assistance with ICAP or IDA, or be owned by the City of New York or the Empire State Development Corporation. Buildings must meet program renovation criteria.

New York State Energy Research and Development Authority (NYSERDA)

NYSERDA programs provide industrial and commercial businesses with energy efficiency services for existing buildings, new construction, industrial facilities, and vehicle fleets.

NYS Film Production Tax Credits

Qualified film and television productions can receive a 30% State tax credit on eligible production costs. Tax credits are available for feature length films, television pilots and television series.

NYS Excelsior Jobs Program

The NYS Excelsior Jobs Program provides job creation and investment incentives to firms in such targeted industries as biotechnology, pharmaceutical, high-tech, clean-technology, green technology, financial services, agriculture and manufacturing. Firms in these industries that create and maintain new jobs or make significant financial investment are eligible to apply for up to four new tax credits: Excelsior Jobs Tax Credit; Excelsior Investment Tax Credit; Excelsior R & D Tax Credit; and Excelsior Real Property Tax Credit.

ADDITIONAL ELIGIBILITY CRITERIA APPLY