

Attachment H
EMPIRE ZONE TAX CREDITS AND BUSINESS INCENTIVES

New York State (NYS) Empire Zones (EZ) tax credits are available to all types of businesses: industrial, commercial, retail, and service, located within the boundaries of an Empire Zone.

Use of NYS tax credits are based on the creation of new jobs. The credits for Zone Certified Businesses (ZCB) include:

- **QEZE Real Property Tax Credit or Refund:** Qualified Empire Zone Enterprises (QEZEs) are allowed a tax credit against paid real property taxes (up to \$10,000 per new employee) with a benefit period of 10 years. Businesses must meet the QEZE New Business Test, and increase employment in the zone and in NYS exceeding the average of the four years preceding the year of certification.
- **QEZE Tax Reduction Credit:** Qualified Empire Zone Enterprises are allowed a credit against business or personal income tax equal to a percentage of taxes attributable to the zone enterprise (effective taxable years beginning on or after January 1, 2001).
- **QEZE Sales Tax Exemptions:** The Zone Certified Business whose employment exceeds the average employment during the three (3) previous years may be exempt from the NYS share of Sales Tax (4%) on tangible property; goods, and services used by the business for 10 years.
- **Wage Tax Credit (WTC):** A tax credit is available to a ZCB for up to five years for full-time employees hired to fill newly created jobs. The WTC is \$1,500 for each new hire or \$3,000 when new employees are from targeted groups (ie. Unemployed, honorably discharged veterans, social services recipients, poverty income persons or families).
- **Investment Tax Credit (ITC):** Manufacturers that make new investments in production, property and equipment may qualify for tax credits of up to 19% of the company's eligible investment.
- **Employment Incentive Credit (EIC):** Directly related to the Investment Tax Credit, the Employment Tax Credit allows a 3% credit in each of the three years subsequent to the ITC, if employment is at least 101% of the previous year.
- **New Business Refund:** Businesses new to NYS are entitled to a 50% cash refund of unused EZ-WTC and ITC amounts. Other businesses may carry forward unused credits indefinitely.