

# Key Empire Zone Benefits

The New York State Empire Zones Program was recently revamped to make it easier for businesses to realize extraordinary benefits. Following is a brief summary of benefits available as of April 1, 2005 and extending through June 30, 2011:

## Qualified Empire Zone Enterprise Credits (QEZE)

These three QEZE credits are available to an EZ-certified company that has passed an initial "new business" test and passes an annual employment test which insures that the business exceeds the four-year average employment prior to certification:

- **Sales Tax Exemption:** This exemption is on the state portion of the sales tax and applies to all purchases of all personal tangible property and services directly used by an EZ-certified business.
- **Tax Reduction Credit:** A company can reduce its corporate franchise tax liability to zero by using this credit as it creates more jobs and/or makes additional investments.
- **Real Property Tax Credit/Refund:** Based on the number of jobs created and/or investments made, this credit can be obtained as a cash refund for unused credits up to the amount of real property taxes paid or as payment in lieu of taxes (PILOT payment).

## Wage Tax Credit

The Wage Tax Credit provides a five-year credit of \$1,500 - \$3,500 for each newly created job in the EZ. Credits can be taken for as much as 50% of the business's state corporate franchise tax. Unused credits can be carried forward and a new business can request a refund of 50% of unused credits. New York businesses moving from within the state can get a credit for existing jobs moved into the zone, as long as the jobs were created after the zone parcel was created.

## Investment Tax Credit (ITC )

The ITC offers a 10% credit for investment made by a corporation (8% for personal income taxpayers) in property and/or equipment within a zone. Property must be principally used for manufacturing, assembly, processing, R&D, or for the buying and selling of securities by financial institutions. Unused credits can be carried forward and a new business can request a refund of 50% of unused credits.

## Employment Incentive Credit

A credit of an additional 9% of the investment cost can be taken over three years for companies that have increased employment to a level at least 101% of the average employment prior to when the investment was made.

## Sales and Use Tax Refund

This can be used on the state and county portion of the sales tax (4%) for the purchase of building materials that become part of the real property in the zone.

## Hudson Valley Economic Development Corporation

555 Hudson Valley Avenue, Suite 106

New Windsor, NY 12553

845.220.2244

Fax 845.220.2247

[www.hvedc.com](http://www.hvedc.com)