

New York State Excelsior Jobs Program

Overview

The original legislation was signed into law in June 2010 and later modified by Governor Cuomo's administration. It created the New York State Excelsior Jobs Program, a tax incentive program intended to replace the New York State Empire Zone Program. The program is a ten year program, commencing with tax years beginning in 2011, that provides job creation and investment incentives to companies operating in New York State in such targeted industries as biotechnology, pharmaceutical, high-tech, clean-technology, green technology, financial services, agricultural and manufacturing.

Tax Credits

Companies in the Excelsior Jobs Program may qualify (as noted below) for the following four new, fully refundable income tax credits which can be claimed over a ten year period:

- **The Excelsior Jobs Tax Credit** – a credit of 6.85% of wages per new job to cover a portion of the associated payroll cost.
- **The Excelsior Investment Tax Credit** – a credit of 2% of qualified investments.
- **The Excelsior Research & Development Credit** – a credit of 50% of the Federal Research & Development credit up to 3% of research expenditures in New York State.
- **The Excelsior Real Property Tax Credit** – a credit of a portion of real property taxes paid for property located in certain designated areas known as investment zones (certain former Empire Zones) or for certain regionally significant projects.

Program Eligibility

The program is limited to companies making a substantial commitment to either employment growth in New York or investment in capital in a New York facility. A company must apply to Empire State Development (ESD) with its plan for expansion or growth. If the application is approved, ESD will enter into a formal agreement with the company that clearly states the tax credits as well as the job and investment requirements for each year. The company must submit proof of the job creation and/or investment expenditures for each year. If the proof is acceptable, the company will be issued a certificate allowing them to claim eligible tax credits for the tax year.

Additional Information

Companies do not have to be located in an Empire Zone in order to qualify for most of these credits. However, please be aware that if you are currently certified as a Qualified Empire Zone Enterprise, you are required to permanently de-certify from the Empire Zone program in order to be eligible to claim Excelsior Program credits. Many details of the program have yet to be finalized by the program administrators, however we will provide you with more information as it becomes available. In the meantime, if you are interested in hearing more about the Excelsior Jobs Program, please contact your Fust Charles Chambers LLP client service partner to obtain further details of the potential benefits for your company.