State Incentives for Schuyler County

State of New York (Empire State Development)

Empire State Development (ESD) is the trade name under which New York State offers benefits that have been statutorily authorized under the Office of Economic Development, Job Development and Urban Development Corporation (d/b/a Empire State Development Corporation).

Through ESD, the State can provide direct loans, capital grants, or interest rate subsidy grants that result in low-cost financing for the acquisition, construction, renovation, or improvement of real estate, including both land and buildings, as well as the acquisition of machinery and equipment and related soft costs. Direct loans are provided at below-market rates to provide a lower overall blended rate with conventional sources. Interest rate subsidy grants that reduce the costs of borrowing from a conventional lender are also available.

Eligible recipients of these loans and grants include industrial companies such as manufacturers, service providers, assemblers, and distributors, and local development entities on their behalf, as well as headquarter facilities for a broader spectrum of businesses.

Along with direct loans and interest rate subsidy grants, the State will often work with a municipality or county wherein the project is located to access local incentives that can coordinate with State resources and significantly lower project costs. For example, a project will often be partially or wholly financed with IDA bonds, which may also be a vehicle for reducing the company’s real property tax liability. In such a case, an ESD interest subsidy grant could be used to lower the costs of the bonds or a direct loan could be provided in conjunction with bonds.

Consolidated Funding Application

The Consolidated Funding Application (CFA) utilizes a single- entry point for accessing up to $1 billion in economic development funding, so applicants do not have to slowly steer through several agencies and applications.

Through the CFA, applicants for economic development projects will access multiple State funding sources through one application. Funding is available for the following projects: Affordable Housing; Community and Waterfront Revitalization; Direct Assistance to Businesses; Energy and Environmental Improvements; Low-Cost Financing; Municipal/Public Infrastructure; Parks, Historic Preservation and Heritage Areas; Sustainability Planning Assistance; Transportation Infrastructure; and Workforce Development.

Eleven (11) State agencies and authorities have made their resources available through the CFA process: Empire State Development; NYS Canal Corporation; NYS Energy Research and Development Authority; Environmental Facilities Corporation; Homes and Community Renewal; Department of Labor; Office of Parks, Recreation and Historic Preservation; Department of State; New York Power Authority; Department of Environmental Conservation and the NYS Council on the Arts.

A submitted CFA is sent electronically to the Regional Council(s) for the geographic area(s) in which the proposed project will take place. Each Regional Council will review and rank applications based on a set of regional endorsement standards. These standards are developed by each region and are available on each Regional Council's website. Additionally, applications will undergo review by State agencies and authorities administering the grant programs. After completing the review, the State agency(ies) or authority(ies) will notify the Regional Councils as to whether or not projects are eligible for funding. Awards are based on the combined score of the State agency technical review and the Regional Council endorsement score. Further, each agency will have an approval and disbursement process, which may require applicants to sign contracts or letters of commitment, and submit supporting documents such as verifications of eligibility, tax status, and municipal resolutions.

The CFA is available at www.regionalcouncils. ny.gov.

Training

Schuyler County/New York State can provide training assistance in the form of grants and other financial assistance to partially defray the costs of companies that seek to upgrade the skills of current workers or train new employees. Grant funds are available from ESD's Economic Development Fund, CSS Workforce and in some cases, Federal Agencies. Funds from these sources can be used for classroom or, in certain circumstances, on-the-job training for new hires, including the costs of materials and supplies used directly in training and the cost of hiring outside instructors to train employees.

Training can be provided both for specific job skills as well as high-performance work organization techniques and advanced technologies and equipment. SCOPED staff can provide references to local networks of training providers in the area where the project is located and will help assemble the most comprehensive and appropriate type of training assistance package in each case.

State and Local Tax Credits

New York offers some of the most generous credits for a new capital investment of any state in the country. A credit against the corporation franchise tax on business corporations is available for up to 7% if eligible new investments in buildings and/or depreciable tangible personal property is used primarily in production by manufacturing, processing, assembling and certain other types of activities. A new business may elect to receive, as a refund, any unused part of the tax credit earned. All businesses may carry forward any unused portions of the credit for up to 15 years.

An additional credit, an Employment Incentive Credit, of 1.5% to 2.5% for the same new capital investment (production facilities and equipment only) is deductible by corporations, from the tax payable in each of the two years next succeeding the year of the original investment, provided the company meets an employment standard which requires that the company's average number of employees in the State (excluding general executive officers) n each such taxable year is at least 101% of the comparable average in the year immediately preceding the year of investment. The 1.5% credit applies if employment is at least 101% but less than 102% of the employment base year. A 2% credit applies if employment is at least 102% but less than 103% of the employment base year, and a 2.5% credit applies to employment of 103% or greater than the comparable average in the employment base year.

A corporate taxpayer, which was not subject to tax and does not have a taxable year immediately preceding the taxable year in which the investment is made, may determine its eligibility by using the year the investment is made as the base period for calculating the employment change in each of the three succeeding years. Any excess of this credit may be carried forward for up to 15 years.

There are other credits available for research and development facilities (9% Corporate Tax Credit) and investments in air pollution or industrial waste facilities. Additional credits are available in connection with the expansion of emerging technology businesses, including a $1,000 per employee job creation credit and a capital credit for qualified investments.

New York State Excelsior Program

Investment Eligibility

The business activity at the location of the project is of the type contained in one of the seven categories from above and (i) the business has and retains at least 25 employees (10 employees for manufacturing) and (ii) passes a minimum cost benefit ratio of 10:1 (Investment, Wages and Benefits compared to Excelsior Tax Credits).

Benefits

Fully Refundable. 10-year benefit period commences when first Certificate of Tax Credits is issued.

1. Jobs Tax Credit – 6.85% of gross wages per net new job.
2. Investment Tax Credit – 2% of Qualified Investment:
    a. Tangible Personal Property owned by business
    b. Depreciated per IRC Section 167
    c. Useful life of 4 or more years
    d. Acquired by purchase
3. R&D Tax Credit – 50% of the portion of the businesses federal R&D credit related to R&D expenditures in NYS capped at 3% of the R&D expenditures in NYS.

Note – must choose between Excelsior ITC, Standard ITC or Brownfields ITC—election is irrevocable. However, a participant may claim both the Excelsior ITC and the NYS R&D Tax Credit. Lastly, expenses incurred prior to the date the Certificate of Eligibility is issued are not eligible.

Real Property Tax Credits

A project must be a Regionally Significant Project or located in an Investment Zone of the former Empire Zones Program to receive this credit.
Credit calculated as follow:
Year 1: 50% of eligible real property taxes after improvements.
Year 2: 45%
Year 3: 40%
Year 4: 35%
Year 5: 30%
Year 6: 25%
Year 7: 20%
Year 8: 15%
Year 9: 10%
Year 10: 5%

Industry	**Min Jobs Created**	**Investment**
Financial Services-(data center or back office)	300	$6,000,000
Manufacturing	50	$5,000,000
Scientific R&D	20	$6,000,000
Agriculture	20	$6,000,000
Creation or Expansion of back office ops	300	$6,000,000
Distribution Center	300	$30,000,000
Other	300	$6,000,000

Brownfield Cleanup Program (BCP)

New York State's Brownfield Cleanup Program ("BCP"), signed into law on October 9, 2003 and subsequently amended several times, was established to encourage voluntary remediation and redevelopment of brownfield sites. From a business perspective, the most significant component of the BCP is, in addition to certain environmental liability relief, the ability to claim refundable New York State tax credits made available to State taxpayers who voluntarily clean up and develop brownfield sites under the BCP.

Brownfield Site Definition

A "Brownfield Site" is, since the implementation of the BCP 3.0 program, defined as "any real property where a contaminant is present at levels exceeding the soil cleanup objectives or other health-based or environmental standards, criteria or guidance adopted by the department that are applicable based on the reasonably anticipated use of the property, in accordance with applicable regulations. This new definition also allows previously ineligible sites contaminated by historic fill brought in from off-site and contaminated by vapors or groundwater from another site to now qualify for tax credits. As long as the contaminants at the site are in excess of the standards set forth by DEC, the site qualifies as a Brownfield Site under the amended definition.

Tax Credit Applicable and Cap

Site Preparation Credit (SPC)	22-50% of costs, no cap
Groundwater Remediation Credit (GRC)	22-50% of costs, no cap
Tangible Property Credit (TPC)	10-24% of tangible property costs, but TPC cannot exceed lesser of 3x site prep costs for non-manufacturing or $35,000,000 or 6x site prep costs for manufacturing project, or $45,000,000

Empire State Film Production Tax Credit Program

The Empire State Film Production Tax Credit Program offers tax credits, tax exemptions and investment tax credits for filming commercials, television episodes, TV pilots and TV movies or miniseries and movies in New York State. For a feature film or television project to be eligible, a portion of the production must take place on a set, a stage, or at a Qualified Film Production Facility within the State. If the filming takes place at more than one location, or is post-production work, then at least 75% of days spent shooting must be in the State, or the production must spend at least $3 million on work at a qualified facility.

Investment Tax Credit Program (ITC).
A Qualified Film Production Facility may be eligible for the Investment Tax Credit Program. The credit applies to property, (including buildings and structural components) which have a useful life of at least four years, and are both purchased and located within the State. The ITC for a corporation is 5% of the first $350 million investment credit base, and 4% for all amounts above $350 million.

For individuals, LLCs, and partnerships, the ITC is 4% for all amounts. This credit is in addition to the 30% tax credit but is subject to the State allocation referenced above.

Employment Incentive Tax Credit (EITC).
For those corporations, individuals, LLCs or partnerships that qualify for the ITC, there is also an additional Employment Incentive Tax Credit (EITC). The EITC applies to the same new capital investment as the ITC and is available in the succeeding two years following a claimed ITC. If employment in those two years is at least 101% (in each of the two years) but less than 102% of the previous year, the credit is 1.5%. If employment in those two years is at least 102% (in each of the two years), but less than 103% of the previous year, the credit is 1.5%. If employment in those two years is greater than 103% (in each of the two years), the credit is 2.5%.

Additional credits are available for production work occurring in upstate New York (upstate New York includes Schuyler County. For example, an additional 5% credit is available for post-production costs incurred in upstate New York. Furthermore, productions with budgets over $500,000 may receive an additional 10% credit on qualified labor expenses incurred in upstate New York.

Emerging Technology Tax Credits

New York State enacted new legislation providing for the Qualified Emerging Technology Company (QETC) Tax Credit and for the Qualified Emerging Technology (QETC) Capital Tax Credit. The intent behind this legislation was to encourage economic growth, create jobs and keep the technology businesses in New York State competitive. A QETC is, as defined in § 3102-e of the Public Authorities Law (PAL), a company located in New York State that has total annual product sales of $10 million or less and meets either of the following criteria: (i) its primary products or services are classified as emerging technologies under § 3102–e(1)(b) of the PAL; or (ii) it has research and development facilities in New York State and its ratio of research and development funds to net sales equals or exceeds the average ratio for all surveyed companies classified (as determined by the National Science Foundation (NSF) in the most recently published results from its survey.

QETC Employment Credit

A refundable credit of $1,000 per new full-time employee (defined as employees in excess of 100% of base-year employment level) is available for three consecutive years to eligible taxpayers provided that
eligibility requirements continue to be met. Any amount of the credit not deductible in the current tax year may be carried over to the next tax year, or in lieu of a carryover, a taxpayer that qualifies as the owner of a new QETC business or as a new QETC business may elect to have the carryover refunded. In no case can the credit and the carryover of the credit deducted for the tax year reduce the tax to an amount less than the tax due on the minimum taxable income base or the fixed dollar minimum, whichever is higher; neither is the credit allowed against the metropolitan business tax surcharge.

QETC Capital Tax Credit

There are two QETC capital tax credits available:

1. The first is a 10% tax credit on all qualified investments, providing the taxpayer certifies to the Commissioner of Taxation and Finance that the qualified investment will not be sold, transferred, traded, or disposed of during the four years following the year in which the credit is first claimed.
2. The second is a 20% tax credit on qualified investments provided the taxpayer certifies to the Commissioner of Taxation and Finance that the qualified investment will not be sold, transferred, traded, or disposed of during the nine years following the year in which the credit is first claimed.

The total amount of credit allowable to a taxpayer for all years may not exceed $150,000 for a credit computed at the rate of 10% of qualified investments, and $300,000 for a credit computed at the rate of 20% of qualified investments. Other special limitations apply to investments made by a married couple or an estate or trust. The Capital Tax Credits are only available to an owner-taxpayer at the start of an emerging technology business. Otherwise, any qualified investment made afterwards must not be made by or on behalf of an owner (defined as any entity that owns more than a 10% interest in the QETC). Qualified investments do not include investments made by or on behalf of an owner of the qualified emerging technology company, including, but not limited to, a stockholder, partner, sole proprietor or any related person.

Historic Rehabilitation Tax Credit (HRTC)

For rehabilitated certified historic buildings placed in service on or after January 1, 2007, owners may receive a state tax credit equal to 30% of the allowable 20% federal tax credit (or a 6% state credit), with a cap of $100,000 for commercial projects and a cap of $25,000 for residential projects. Because the federal tax credit is 20% of qualified rehabilitation expenditures, this effectively results in a state tax credit of 6% of qualified rehabilitation expenditures.

The allowable amount of the enhanced HRTC has been increased to $5,000,000 for commercial projects (including nonresidential projects and residential rental projects) and to $50,000 for residential projects (i.e., certified historic buildings used as owners' residences). Under the enhanced HRTC, as amended by the New York State 2013-2014 Executive Budget, owners may receive a state tax credit equal to the full amount of the federal tax credit, 20%, for qualified rehabilitation expenditures on the certified rehabilitation of certified historic structures which are located in census tracts identified as being at or below the state median family income.44 Qualified rehabilitation expenditures include amounts properly chargeable to a capital account with respect to which straight-line depreciation is used, but do not include amounts expended for the acquisition or enlargement of a building. A certified rehabilitation is any rehabilitation certified by the Secretary of the Interior as being consistent with the historic character of the building or district in which the building is located. A certified historic structure is any building which is either
(1) listed in the National Register of historic buildings or
(2) is located in a registered historic district and is certified by the Secretary of the Interior as being of historical significance to the district.

The enhanced HRTC is available for buildings placed in service between January 1, 2010 and December 31, 2014, and available for rehabilitation projects commenced on or before December 31, 2019. The New York State 2013-2014 Executive Budget amended the relevant provisions of the New York State Tax Law such that the enhanced HRTC is refundable for tax years beginning on or after January 1, 2015 and ending on or before December 31, 2019. Unused credits for projects placed in service before 2015 can be carried forward indefinitely. Under current law, after December 31, 2019, the credit reverts to 2006 rules: a 6% credit and a $100,000 per-project cap.

Recharge New York Power Program

The ReCharge New York Program is administered by the New York Power Authority (NYPA) and was signed into law on April 14, 2011. This new program replaced the former “Power for Jobs” Program and the “Energy Cost Savings Benefit” Program. The first allocations under ReCharge were made on April 12, 2012. The program is designed to retain and create jobs through allocations of low-cost power. The ReCharge program has a block of 910 Megawatts (MW) of electric power to allocate (50% NYPA hydropower/50% market power procured by NYPA). Applications are available online through the New York State Consolidated Funding Application (CFA). In order to be considered for an allocation of RNY Power, applications must be submitted through the CFA process. You can access the CFA at www.nyworks.ny.gov. As part of the application process, you must submit your electronic invoices for all accounts in which you are applying for a power allocation.

Applications are reviewed by the Economic Development Power Allocation Board which makes recommendations and referrals to the NYPA trustees for final approval. ReCharge power allocations can be for up to 7 years. For-profit and not-for-profits qualify, but all *retail businesses, sports venues, gaming or entertainment-related establishments, and places of overnight accommodation are categorically excluded.*

Successful applicants can make a one-time election when going to contract with NYPA to have the 50% market power of their allocation purchased by NYPA or by customer arranged market power purchases. NYPA will bill the customer for the cost of the power and the associated NYISO charges. The local utility will still bill the customer for delivery of the power and energy. Each local utility will need to file and have approved tariffs with the New York Public Service Commission (PSC).

Start Up New York

On June 24, 2013, Governor Andrew Cuomo signed into law the SUNY Tax-Free Areas to Revitalize and Transform upstate New York Plan (START-UP NY). The intent behind START-UP NY is “to promote entrepreneurialism and job creation by transforming public higher education.” To effectuate this goal, START-UP NY provides tax exemptions to businesses as an incentive to bring new ventures to New York State with a focus on revitalizing the upstate region.

Where is START-UP NY Applicable?

The focus of START-UP NY is on the upstate region (areas north of Westchester).
A business chosen to participate in START-UP NY (Participating Business) must be located on the site of: (i) a public university; (ii) a private university; or (iii) one of the state properties “strategically” designated as tax-free communities.

Public colleges and universities (SUNY) north of Westchester County (upstate) may create “tax-free communities” using vacant land and space in existing buildings on SUNY campuses, up to 200,000 square feet within one mile of campus, and any business incubator with a bona fide affiliation to the campus. While public colleges in the City of New York (CUNY) may create “tax-free communities,” only five CUNY schools may create “tax-free communities” (one in each borough). Private colleges and universities upstate are allotted 3,000,000 square feet of tax-free areas to be created into “tax-free communities.” The square footage is allocated by a program board made up of three members appointed by the governor, the Speaker of the Assembly, and the Temporary President of the Senate.

Who is Eligible?

A business eligible to participate in START-UP NY (Eligible Business) must be: (i) a “new business;” (ii) a company from out-of-state that is relocating into New York State; or (iii) an existing New York State business planning an expansion.

To qualify as a “new business,” an Eligible Business must not be operating or located within New York State at the time it submits its application for the program and must not be merely moving existing jobs into the tax- free area from another area in the state. Furthermore, it must not be “substantially similar” in operation or in ownership to a business that was taxable in New York State anytime within the past five years. To qualify as an existing New York State business planning an expansion, an Eligible Business must demonstrate that it will create new jobs in the area and that it has not eliminated any jobs in the state (i.e., a company creating a new line of business or a company opening a new advanced manufacturing facility).
Several businesses are *categorically excluded* from START-UP NY (Ineligible Businesses). Ineligible Businesses include:

(i) restaurants;
(ii) law firms;
(iii) medical and dental practices;
(iv) hospitality businesses (i.e., hotels);

(v) finance and financial services companies;
(vi) businesses providing personal services;
(vii) accounting firms; (viii) utility, electricity and national gas providers; and
(ix) businesses providing business or administrative support services unless such business can demonstrate that it would create no fewer than 100 jobs.

As a general rule, no applicant will be approved if its operation would compete with other local businesses in the community outside of the “tax-free community.

Southern Tier Community Revitalization Re-Investment Fund Guidelines & Application

Purpose

There is substantial demand for downtown and neighborhood commercial center revitalization initiatives throughout the entire Southern Tier Region that would help meet the growing demand for urban apartments and commercial development, while stimulating the local economy. There are many municipalities, community and economic development organizations, and developers prepared to move forward with significant financial investment if they can secure the needed gap financing that allows many projects to become reality.

The Southern Tier Region Community Revitalization Re-Investment Fund will fund projects that utilize a collaborative approach to provide improved and diverse downtowns, mixed use options, and commercial and retail opportunities linked to discrete neighborhood centers.

Goal

The goal is to use both state and federal public investments as "gap financing" for specific downtown and community neighborhood commercial center revitalization projects that have a financing strategy and con demonstrate the greatest potential to leverage public funds and non-profit resources, attract and sustain both short-term and long-term private capital, and catalyze further development.

Revitalization projects will create quality commercial space for commercial development and entrepreneurial enterprises and additional mixed use options, while building on existing infrastructure with upgrades and new construction in keeping with the downtown and neighborhood commercial center character.

Program Description

The Southern Tier Region Community Re-Investment Fund will provide "gap-financing" for redevelopment of key commercial buildings, infill on new buildings, and development of the Southern Tier Region's downtowns, rural populations centers, and neighborhood commercial centers. The Community Revitalization Re-Investment Program will allow each community to identify its own priorities and structure projects to support unique local needs in targeted areas.

Funding will be in the form of low-interest loans. Each applicant for a loan will be evaluated on a case-by-case basis to assess the request for loan funding. Careful and individual consideration will be given to each application and the final funding award will be based on project feasibility, measurable impact, project readiness, and leveraging of funds.

STREDC Community reinvestment fund guidelines
STREDC Reinvestment – Application
STREDC REGIONAL REVOLVING LOAN FUND Guidelines