



Tax Reduction Credit: NYS Tax Form CT-604

This is a tax reduction against business income, and is available for 10 years. This often reduces a firm's liability to zero, particularly for firms new to New York State that are wholly located within an Empire Zone. The credit is applied against the business corporate tax, personal income tax, banking corporation tax, or insurance corporation tax. Can reduce your tax liability to **ZERO** – eliminating alternative minimum and fixed dollar minimum tax

The formula is as follows:

(1) % Increase in Jobs after certification

(2) % of Wages & Assets Within the Empire Zone

(3) The tax factor for the business

1*2*3=tax reduction credit

Note: Firms that do **NOT** add employees do **NOT** receive any benefit.

Wage Tax Credit: NYS Tax Form CT-601

The Wage Tax Credit is available to an EZ-certified business that creates new employment at its zone facility. The credit is equal to \$1,500 for each new job created by the business; if the position is filled with a targeted worker, the credit doubles to \$3,000.

Eligibility:

1. The business must be EZ-certified.
2. The business must exceed the average number of employees in the state or zone over the business' average for the past four years.
3. The newly-hired employee must work at least six-months to be eligible for the tax credit, must be a new employee to the company's New York State offices and must be paid at least minimum wage for non targeted workers and 135% of minimum wage for targeted workers.

Claiming Benefits:

1. Job openings should be registered with the NYS Department of Labor or sufficient equivalent organization such as the Albany County Department of Social Services.
2. Targeted workers (dislocated workers, JTPA participants, recipients of public assistance, persons whose income is below poverty level) must be registered with the NYS Department of Labor in order for companies to receive the credit of \$3,000. Companies can access targeted workers to fill job vacancies through the Albany County Department of Social Services (518-447-7730) or NYS Department of Labor (518-446-8100). A company can register a prospective new employee with these agencies for review to determine qualification for the \$3,000 credit
3. Companies can claim the Wage Tax Credit for five consecutive years by filing a CT-601 form with the NYS Department of Tax and Finance. The WTC can be credited toward franchise

taxes or personal income tax. New businesses are entitled to request half of the credit as a cash refund.

4. The forms are available via telephone 1-800-462-8100 or [New York State Department of Tax and Finance](#) (look for EZ WTC form CT-601).

Property Tax Refund: NYS Tax Form CT-604

The property owner or renter pays the property tax then applies for the credit. The credit for real property taxes paid is based on a formula that considers:

- (1) Job creation, wages and benefits OR
- (2) Capital Investment made in the zone.

The business receives the maximum credit after completing both calculations. The credit is available for 10 years, and cannot exceed the actual property tax paid.

Important: Businesses leasing space must have a triple net lease to receive this credit.

The credit is calculated as follows:

1. Credit based on job creation, wages and benefits:

25% of wages paid to net new employees during the taxable year (not exceeding \$10,000 per employee) multiplied by the development zone factor.

Number of New Employees	Development Zone Employment Increase Factor
1-10	.25
11-49	.5
50-75	.75
76+	New Employees/100

2. Credit based on capital investment made in the Empire Zone. The formula is as follows:

- (1) 10% of the Federal basis of the property
- (2) The percentage of the Federal basis attributable to new construction or renovation
- (3) The percentage of the building that is physically occupied by the Empire Zone business.

$$1*2 \text{ or } 1*3 = \text{Real Property Tax Credit}$$

Sales Tax Exemption: NYS Tax Forms DTF-82, DTF-83, DTF-84

The Sales Tax Exemption applies to all tangible personal property predominately used or consumed by the business in the Empire Zone. This exemption applies to New York State (4%) sales tax and is available for ten years. The Albany County sales tax remains in effect. To qualify a business must maintain or increase employment after becoming certified.

Sales Tax Credit/Refund: NYS Tax Form AU-11

A credit or refund of the 4% New York State and 4% local sales tax is available for the purchase of building materials used in the construction or renovation of industrial or commercial property located in a zone.

Sales Tax Refund Eligibility:

1. The industrial or commercial property must be located in an EZ and cannot be used exclusively for retail sales
2. The building materials used must become an integral part of the property and generally make an uninhabitable space inhabitable.
3. The company purchasing the materials will be eligible for the sales tax credit. If the EZ company that will incur the capital improvements did not purchase the materials, they will not be able to receive the credit. The company (i.e. contractor) making the improvements to an EZ business does not have to be an EZ company to receive the benefits.

Claiming Benefits:

1. A business can claim the sales tax credit by submitting the AU-11 NYS tax form with a record of the qualified materials purchased and a copy of the EZ certificate. (The recording requirements are listed on the instruction form that accompanies the AU-11 tax form, a description of the benefits are also available in Tax and Finance "Publication 30").
2. The company must claim the refund within three years after the date of purchase.

Sales Tax Credit Eligibility:

- Is the property industrial or commercial and located in an EZ?
- Is the company claiming a 50% refund new to New York State?
- Are the building materials an integral part of the industrial or commercial property, and generally making an uninhabitable space inhabitable?

Quick Check List for Claiming Sales Tax Credit

- Is the company filing the AU-11 tax form within three years after the purchase was made?
- Is the company submitting satisfactory records when filing the AU-11 tax form (see NYS AU-11 instructions).
- A business can claim the sales tax credit by filing the AU-11 tax form with the NYS Department of Tax and Finance. The forms are available via telephone 1-800-462-8100 or [New York State Department of Tax and Finance](#).

[Investment Tax Credit & Employment Incentive Tax Credit: NYS Tax Form CT-603](#)

The Investment Tax Credit (ITC) is available to EZ-certified companies which purchase or build production or research and development property or equipment in a zone. The credit is 10% (for a corporation) to 8% (for a personal income tax filer) of the total investment made. The credit may be claimed each time qualified property or equipment is acquired.

The Employment Incentive Tax Credit (EITC) must be made in conjunction with claiming an Investment Tax Credit and is separate from (and additional to) the Wage Tax Credit. The EIC is available to a corporation or personal income tax filer, which qualifies for an Investment Tax Credit and creates new employment. The credit equals 30% of the 8-10% ITC for each of the next three consecutive years following the year in which the investment tax credit is claimed. For example, if a company invests a total of \$1.5 million into a manufacturing, agri-business or R& D facility for renovation and equipment costs, the Investment Tax Credit will be \$150,000. The Employment Incentive Credit will be 30% of that; \$45,000 for three years, given there is increased employment.

Eligibility:

1. The business must be EZ-certified
2. The company must be purchasing or improving property for the use of manufacturing, R&D or agri-business and/or purchasing qualified equipment
3. Businesses that lease property are still eligible for the ITC for the purchase of qualified equipment
4. The property or equipment must be acquired, constructed, reconstructed or erected by the taxpayer on or after the date the zone certifying officer has approved the EZ application and forwarded it to the state for approval

Claiming benefits:

1. The tax credit is based on how much the taxpayer invests into the zone property, either in the structure or purchase of manufacturing, agri-business or R&D equipment
2. The Investment Tax Credit is claimed by filing a CT-603 tax form with the New York State Department of Tax and Finance. The forms are available via telephone 1-800-462-8100 or [NYS Department of Taxation and Finance](#)
3. A company eligible for the ITC may also qualify for the [Employment Incentive Credit](#) if they are creating new employment

Quick Check List for ITC Eligibility

- Is the business located in the Albany County EZ?
- Is the business purchasing, constructing or reconstructing manufacturing, agri-business or R&D property or purchasing qualified equipment?
- Was the purchase made after the company's EZ application was approved by the zone certifying officer?

Quick Check List for Claiming ITC

- If an EZ business has purchased qualified property or equipment it can claim the Investment Tax Credit by filing a CT-603 tax form with the New York State Department of Tax and Finance. The forms are available via telephone 1-800-462-8100 or [NYS Department of Taxation and Finance](#).

Zone Capital Tax Credits: NYS Tax Form CT-602

An investor in a Zone Certified Business may claim Direct Equity Tax Credits equal to twenty-five percent (25%) of the amount of the investment, up to a maximum tax credit of \$100,000 per investor. The 25% tax credit is against New York State franchise taxes.

Utility Rate Reductions

Customers of Niagara Mohawk Power Corporation should contact Brian Archambault at (315) 428-6072 to inquire about rate reductions for transmission costs. Certified businesses are eligible for any available reductions for increases in annual energy usage of at least 25 percent or 100 kilowatts. Other energy providers may offer competitive rates to Zone companies.

Verizon offers a 5% reduction on intrastate calls. Zone certified businesses can contact the customer assistance number on their Verizon bill to request the Empire Zone benefit. Interested persons should contact Candice Lewis-Williams at 212-428-0591.

485e Property Tax Exemption

This allows for an abatement of increases in county, town and school real property taxes, which result from the construction or improvement to real property located in an EZ for a period of up to ten years. The Colonie, Guilderland and Watervliet sub-zones participate in this program.

Eligibility:

1. All types of real property located in the participating sub-zones are eligible for the abatement
2. Property that has been improved, resulting in an increase in assessment by the local tax assessor and granted a certificate of occupancy by the local building department, is eligible for the abatement. Improvements include new construction or major renovation to structures that are not generally inhabitable

Claiming benefits:

1. The real property tax payer (i.e., the property owner) is eligible to apply for the abatement, for improvements that the owner or lessee makes to the property
2. The property owner must apply for the abatement with the local tax assessor within one year after improvements were completed and after a certificate of occupancy has been granted by the local building department. [See "Contacts," below](#)
3. IDA financing cannot be used in combination with the EZ real property tax abatement; the tax payer must select one method of financial assistance over the other
4. The local tax assessor will approve or deny the application for property tax abatement. The application should be completed and approved before March 1st for the abatement to be put on the tax roll for the current year
5. Abatements are 100% for the first seven years, 75% for year eight, 50% for year nine and 25% for year ten. Real property is fully taxable after ten years

Quick Check List for Real Property Tax Abatement Eligibility

- Is the real property located in the Colonie or Guilderland sub-zones and will it sustain new construction or major improvements?

Quick Check List for Claiming Real Property Tax Abatement

- Did the real property owner receive a certificate of occupancy?
- Did the real property owner apply for the abatement with the local tax assessor's office within one year of the improvement?
- If the assessed value of the property has increased, abatements will be made on the tax roles. Abatements are 100% for the first seven years, 75% for year eight, 50% for year nine and 25% for year ten. Real property is fully taxable after ten years

Contact the local tax assessor's office for the one page application form:

- Town of Colonie Tax Assessor's Office - (518) 783-2788
- Town of Guilderland Tax Assessor's Office - (518) 356-1980
- City of Watervliet Tax Assessor's Office – (518) 270-3800x105