

Key New York City Tax Breaks Extended

July 12, 2017



Valuable tax breaks for New York City businesses and developers were extended as part of New York State Assembly Bill 40001, enacted into law on June 29, 2017. The State's new omnibus bill renewed and extended programs that provide attractive financial incentives for businesses to remain in or relocate to Lower Manhattan and the outer boroughs.

The following tax breaks for businesses and developers were extended:

Relocation Employment Assistance Program (REAP) - Extended to June 30, 2020

An annual tax credit of up to \$3,000 for up to 12 years for each qualified job for businesses relocating to eligible areas in Manhattan or to an outer borough. The credit is a cash refund for the first five years and a credit against NYC income taxes for the remaining seven years.

Lower Manhattan Relocation and Employment Assistance Program (LMREAP) - Extended to June 30, 2020

Similar to the REAP, this program gives a credit of up to \$3,000 per eligible employee to firms that relocate all or part of their operations to Lower Manhattan.

The Lower Manhattan Energy Program and NYC Energy Cost Savings Program (LMEP & ECSP) - Extended to June 30, 2020

Industrial and commercial companies that relocate to new or improved space would receive a discount on the delivery portion of their electric bill and gas delivery costs.

Commercial Revitalization Program (CRP) - Extended to March 31, 2021

For companies located south of Murray St., there is a rent rebate of up to \$2.50 a square foot of leased space. Additionally, approval for the Rent Tax Abatement qualifies business for the Commercial Rent Tax Reduction.

New York City Commercial Expansion Program (CEP) - Extended to March 31, 2021

This program provides a property tax reduction for spaces that have been leased for commercial or industrial purposes. It provides property tax benefits for qualified new, renewal and expansion leases in commercial offices and manufacturing spaces built before 1999.

Lower Manhattan State and Local Sales Tax Exemption - Extended to December 1, 2021 and December 1, 2023

This program provides exemption from the sales tax on goods purchased for the build-out of office space in Lower Manhattan. Minimum lease terms must be ten years. Lease terms must commence no later than September 1, 2020 for properties South of Murray Street and to September 1, 2022 for the World Trade Center, Battery Park City and Brookfield Place areas.

Don't leave money on the table: Anchin's Tax Credits and Incentives Group can analyze your current situation and help you obtain and maximize valuable incentives. For more information, please contact your Anchin Relationship

Partner or Paul Gevertzman, Practice Leader, Anchin's Tax Credits and Incentives Group at 212.840.3456.