

Find Out If Your Business Qualifies for New York Pandemic Tax Credits Before They Are Gone

June 30, 2022



As we [previously](#) informed you, included within New York's 2023 fiscal year budget is a new refundable tax relief program for pandemic-related expenditures by certain businesses. The \$250 million COVID-19 Capital Costs Tax Credit Program is aimed at supporting businesses that made investments to comply with emergency orders and regulations to increase public safety in response to the COVID-19 outbreak.

The program provides tax credits covering 50% of eligible costs, up to \$50,000, for a maximum tax credit award of \$25,000 per eligible applicant. Such credits will be awarded on a first-come, first-served basis until the program's funds are depleted. To be eligible a business must:

- Operate a location in New York;
- Have 100 or fewer employees;
- Have \$2.5 million or less of gross receipts in the 2021 tax year; and
- At least \$2,000 in eligible costs incurred between January 1, 2021 and December 31, 2022.

Pandemic-related expenditures that are eligible for the credit include, but are not

limited to:

- Supplies to disinfect or protect against virus transmission;
- Costs associated with expanding or defining space to accommodate social distancing;
- HVAC equipment;
- Expenses related to increased outdoor activity and outdoor space expansions; and
- Machinery and equipment to facilitate contactless sales.

Businesses seeking to apply for the credit program are encouraged to complete the newly released Empire State Development (ESD) COVID-19 Capital Cost Tax Credit [screening tool](#) as soon as possible. If deemed eligible by the screening tool, a link to the application will be provided when the program application opens. The ESD is overseeing the program and will be issuing the tax credit certificates on a rolling basis.

If you have questions about your business' eligibility for the COVID-19 Capital Cost Tax Credit Program or to determine which expenses you incurred qualify for the credit, please contact [Alan Goldenberg](#), Principal and Leader of the State and Local Taxation and Tax Controversy groups, or your Anchin Relationship Partner.