

Two-Year Extension for Vital New York City Tax Breaks

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Lucrative tax breaks for New York City businesses and developers were extended after the recent legislative sessions concluded in Albany. These tax breaks provide attractive financial incentives for businesses to remain in or relocate to Lower Manhattan and the outer boroughs. Many business leaders view the extensions as a crucial part in the continued recovery from 9/11 and Hurricane Sandy.

The following tax breaks for businesses and developers were extended for two years:

- **Relocation Employment Assistance Program (REAP)**

An annual tax credit of up to \$3,000 for up to 12 years for each qualified job for businesses relocating from Manhattan to an outer borough or north of 96th St. and making investments in property. 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)**

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 (LMECSP & ECSP)**

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.

- **New York City Commercial Expansion Program (CEP)**

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.

- **New York City Industrial and Commercial Abatement Program (ICAP)**

The program provides abatements for property taxes for up to 25 years. To qualify, industrial and commercial buildings must be built, modernized, expanded or otherwise physically improved. Those who qualify must spend at least 30 percent of the property's taxable assessed value within four years.

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