

USA NIAGARA DEVELOPMENT CORPORATION

Other Incentive Programs in Downtown Niagara Falls

For further information please contact:

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Niagara Falls Empire Zone (EZ)

One of only 52 zones in New York State, the EZ program was created by the New York State Department of Economic Development in 1986. The City of Niagara Falls became a recipient of an EZ in 1988 and is the only zone in Niagara County.

EZ Business Incentives Programs:

- *EZ Wage Tax Credit (WTC).*
Certified EZ businesses are eligible for up to five years for a wage tax credit for newly created full-time jobs. The wage tax credit is \$3,000 for employees in specially targeted groups; \$1,500 wage tax credit for all other hires.
- *EZ Investment Tax Credit (ITC)*
For manufacturing facilities only, certified EZ businesses are eligible for a one-time refundable investment tax credit of 8%-10% for investment costs (construction, renovation and fixed asset purchase) in the EZ. This credit is available under the corporate franchise tax (10%) and personal income tax (8%).
- *EZ Employment Incentive Credit (EIC)***
An additional investment tax credit for up to three (3) years for increased employment, equal to 3% of the initial investment (30% of the investment tax credit) is available to employers in the EZ who employ 101% of the number of people employed in the year before the EZ investment tax credit was claimed. (Retail is not eligible).

** This credit applies only to franchise tax & business corporations.

- *Sales Tax Refund for Building Materials*
The purchaser of building materials is eligible for the New York State (4%) and Niagara County (3%) sales tax exemption on the purchases of building materials to be used in connection with construction, expansion or rehabilitation of industrial or commercial properties in the EZ through are fund process.
- *EZ Tax Reduction Credit*
This new credit is applied against business corporate taxes, personal income taxes, banking corporation taxes or insurance corporation taxes. The credit is computed by a formula based on the numbers of jobs created, the company's assets in the zone and in the State, and the income taxes owed by the company.
- *EZ Real Property Tax Credit*
This credit is applied against business corporate taxes, banking corporation taxes or insurance corporation taxes. The credit is computed by a formula based on the numbers of jobs created and the real property taxes paid on property in the zone.
- *EZ Sale Tax Exemption*
This program involves an exemption from the 4% New York State sales and user taxes for tangible personal property and services sold to a qualified business. Niagara County has also optioned to exempt the 3% County portion of the sales tax. A company must register with the New York State Department of Taxation & Finance and be issued an exemption certificate. The certificate is valid for a 10-year period as long as the business meets or exceeds its base year employment number.

- *City of Niagara Falls Real Property Tax Abatement Program - 485b*
The City of Niagara Falls New York offers a real property tax abatement for certain commercial and industrial projects. Any renovations or new construction by EZ businesses is eligible for the 485b tax abatement program: This includes a 50% exemption of real property taxes for the first year on all improvements, increasing by 5% per year until the eleventh year, when the property becomes fully taxed.
- *Utilities*
 - ◆ *National Fuel (natural gas supplier).* National Fuel provides a special "Empire Zone Rider" for certified EZ businesses (either new or existing businesses) that meet their necessary qualifications.
 - ◆ *Verizon (telecommunications).* Certified EZ businesses are eligible for a five (5%) percent reduction on Intrastate-Intralata phone charges. This reduction applies to certified new businesses and existing certified businesses that made a commitment to capital expansion or employment expansion.
 - ◆ *National Grid (electric supplier).* National Grid provides a special "Empire Zone Rider" for certified EZ businesses (either new or existing businesses) that meet their necessary qualifications.

City of Niagara Falls – Loan Programs

The City of Niagara Falls offers a series of economic development loan programs, funded by various state and federal sources.

PROGRAM NAME	ELIGIBILITY	USAGE	LOAN LIMIT	INTEREST RATE	MATURITY	SPECIAL CONDITIONS
NFC DEVELOPMENT CORPORATION (NFC)	Manufacturing Assembly/Distribution Retail	REAL ESTATE MACHINERY & EQUIPMENT	\$50,000	FIXED /FLEXIBLE	M&E-5 TO 7 YRS REAL ESTATE 15 TO 20 YRS	MUST RESULT IN 51% HIRING OF LOW/MOD ELIGIBLE PEOPLE
NIAGARA ECONOMIC DEVELOPMENT FUND (NEDF)	Manufacturing Warehousing/Distribution	REAL ESTATE MACHINERY & EQUIPMENT	\$250,000 30% OF ELIGIBLE PROJECT COSTS	FIXED/3 PTS BELOW PRIME, CEILING OF 10% AND FLOOR OF 5%	M&E- 7 YRS REAL ESTATE 15 YRS	CREATION OR RETENTION OF JOBS \$25,000/JOB
JOB DEVELOPMENT AUTHORITY (JDA)	Manufacturing Warehousing/Distribution	REAL ESTATE MACHINERY & EQUIPMENT	\$1,500,000 40% OF ELIGIBLE PROJECT COSTS/60% IN EDZ	FIXED OR VARIABLE AT TIME OF CLOSING	M&E-UP TO 10 YRS REAL ESTATE UP TO 20 YRS	CREATION OR RETENTION OF JOBS
SMALL BUSINESS ADMINISTRATION - SBA (504)	Manufacturing Assembly/Distribution Retail	REAL ESTATE MACHINERY & EQUIPMENT	\$750,000/\$1,000,000 IN A DISTRESSED CITY 40% OF ELIGIBLE PROJECT COSTS	FIXED AT TIME OF CLOSING	M&E-UP TO 10 YRS REAL ESTATE UP TO 20 YRS	CREATION OR RETENTION OF JOBS \$35,000/JOB
COMMUNITY DEVELOPMENT (CD)	Housing Retail	HOUSING REHAB; CODE VIOLATION; REPAIRS; FACADE IMPROVEMENTS; MINORITY LOANS	SUBSIDIES & FACADE GRANTS- SUBJECT TO SPECIFIC PROJECT IMPACT \$25,000-MINORITY LOANS	FIXED /FLEXIBLE	M&E-5 TO 7 YRS REAL ESTATE 15 TO 20 YRS	MUST RESULT IN 51% HIRING OF LOW/MOD ELIGIBLE PEOPLE SLUMS & BLIGHT
NEW YORK LINK DEPOSIT PROGRAM (LDP)	Manufacturing Service Businesses	WORKING CAPITAL FIXED ASSETS	\$1,000,000	2% INTEREST RATE REDUCTION/THREE IF CERTIFIED EDZ BUSINESS	TWO YEARS	CREATION OR RETENTION OF JOBS