



NEW JERSEY INCENTIVE LEGISLATION ACTION SHEET

GrowNJ INCOME TAX CREDIT PROGRAM

This program is a legislative modification of the Grow New Jersey Assistance Act which was recently signed into law by Governor Chris Christie expanding the Grow New Jersey income tax credit program. The first round of applications are expected to be reviewed at the January 2014 Economic Development Authority Board Meeting.

Eligibility

Minimum Capital Investment Requirement (including building, furniture fixtures and equipment):	
Industrial: Rehabilitation Projects	\$20 (\$/SF)
Industrial: New Construction Projects	\$30 (\$/SF)
Office: Rehabilitation Projects	\$40 (\$/SF)
Office: New Construction Projects	\$120 (\$/SF)

Minimum Job Creation or Retention Requirement:	
Technology Startup Companies:	10 new or 25 retained
Targeted Industry:	25 new or 35 retained (Manufacturing included)
All other business:	35 new or 50 retained

Build-out meets minimum New Jersey green standards.

Build-out meets prevailing wage / affirmative action requirements on initial construction activity.

Program Value

Base award of \$500 per job per year for 10 years, unless the following qualifications are met:	
Mega Project or located in a former Urban Transit Hub	\$5,000 min / \$15,000 max
Projects in other distressed cities	\$4,000 min / \$11,000 max
Projects in other priority areas (planning areas 1 and 2)	\$3,000 min / \$10,050 max
Other Eligible Areas	\$500 min / \$6,000 max

Eligible bonuses are determined based on geographic, employment and other energy related factors ranging from \$250 to \$3,000 per year per employee.

The final tax credit will be calculated as follows:

- 100% for each full-time job new payroll
- 50% for each existing at-risk job (business affected by a federally-declared disaster may be eligible for 100% award)

Limitations

The tax credit must yield a net positive effective for the state equal to at least 110% of the requested tax credit allocation amount based on benefits generated during the first 10 years following completion of the project (not including all eligible bonuses).

- \$10,000 per job per year or \$10M total for projects located in an Urban Transit Hub;
- \$8,000 per job per year or \$8M total in distressed areas; and,
- \$6,000 per job per year or \$4M total in other priority areas

Approved applicants must satisfy job and capital investment requirements within 3 years from date of approval by NJEDA (with 2 possible 6-month extensions).

For each year of incentives (up to a maximum of 10 years), the business must commit to maintaining the project with the minimum number of job positions for 1.5x the length of the incentive award period.

Transferability

- Credits may be sold to another business with NJ corporate income tax liability or insurance tax liability.
- Credits cannot be sold for less than 75% of value.
- Must transfer at least \$100,000 credits in any single tax year, and one transaction may not be less than \$100,000.
- Unused tax credits can be carried forward for 20 years.

If you would like additional information on the program guidelines and application please contact Hickey and Associates at 1-800-840-8850 or info@hickeyandassociates.com.

Hickey & Associates is a global site selection, public incentive advisory and workforce solutions company. The Firm specializes in market location, site selection and public/private partnerships with active projects in the Americas, Asia, Europe and Africa. Utilizing state-of-the-art tools and techniques, H&A assists businesses in determining the best location to expand, relocate or consolidate anywhere in the world. Our experts are based in key strategic markets to maximize your business goals with enhanced local knowledge and client service. For nearly 30 years, H&A has been assisting companies to locate, finance and operate their business.