

**LOCATE IN
SCHENECTADY'S**

EMPIRE ZONE
**STATE INCENTIVES
TO HELP YOUR
BUSINESS**

GROW!

WAGE TAX CREDIT

- ▶ \$1,500-\$3,000 per new employee
- ▶ Credit is applied to NYS taxes owed when filing, up to 50% of liability
- ▶ Unused credits may be carried forward until expired

**SALES & USE TAX
EXEMPTION**

- ▶ Ten year exemption from state sales and use taxes (4.0%) for nearly all tangible property and services used at the building site



**TAX REDUCTION
CREDITS**

- ▶ Up to 100% credit against NYS Taxes based on job growth percentage, (increasing from 10 employees to 11 employees makes you eligible for 10% credit)

**TAX CREDITS FOR
REAL PROPERTY
TAXES PAID**

- ▶ Credit or refund of up to 100% of total real property taxes paid, based on job growth percentage

**MANUFACTURING
INCENTIVES:**

- ▶ Investment Tax Credit (ITC)
 - 10% credit for manufacturers constructing or buying facility in Zone
 - Unused credits may be carried forward until expired
- ▶ Employment Incentive Credit
 - Available to business qualifying for ITC
 - Credit equals 30% of ITC for each of the next 3 years
 - Unused credits may be carried forward until expired.

Empire Zone homepage:
www.sgdez.org

City of Schenectady homepage:
www.cityofschenectady.com

For more information contact:
Steven Strichman, Zone Coordinator
(518) 382 -5049 sgez@nycap.rr.com

**SCHENECTADY
RENEWAL
COMMUNITY
TA**



**GROW YOUR
BUSINESS
WHILE
RECEIVING
FEDERAL AID**



Brian U. Stratton
Mayor



EMPLOYMENT CREDIT

(IRS Publication 954 pg 4)*

- Up to \$1,500 for every employee that lives and works in the RC
- Use the *HUD address locator* to find if your employees qualify at egis.hud.gov/egis/cpd/rcezec
- Available through Dec. 31, 2009



WORK OPPORTUNITY TAX CREDIT

(IRS Publication 954 pg 24)*

- Available for buildings placed in services after Dec. 31, 2001 and before Jan. 1, 2010.
- Up to \$2,400 against Federal taxes for businesses for each new hire from groups that have high unemployment rate or other special employment needs, including youth ages 18 to 24 who live in the RC, and summer hires ages 16-17 who live in RC.
- Business does not have to be in the RC to qualify.

WELFARE TO WORK WAGE CREDIT

(IRS Publication 954 pg 25)*

- Two-Year credit against Federal taxes for businesses that hire long-term family assistance recipients
- Credits up to \$3,500 first year, \$5,000 second year for each new hire.

SECTION 179 DEDUCTION

(IRS Publication 954 pg 16)*

- Business does not have to be in RC to qualify.
- Allows businesses to claim up to \$20,000 in additional expenses (to \$35,000) for property acquired after December 31, 2001, if the business qualifies as a RC business
- Can be claimed on certain depreciable property such as equipment and machinery.

COMMERCIAL REVITALIZATION DEDUCTION

(IRS Publication 954 pg 10)*

- Deduction of one-half of qualified revitalization expenditures (QRE's) in the first year a building is placed in

service, or all QRE's on a ratable basis over 10 years.

- The City must allocate credits for a revitalization or construction project to be eligible.
- Available for buildings placed in service Schenectady Renewal Community Revitalization Districts after Dec. 31, 2001 and before Jan. 1, 2010.

CAPITAL GAINS EXCLUSION

(IRS Publication 954 pg 11)*

- Business will not have to include its gross income any qualified capital gain from the sale or exchange of an asset
- Assets must be held for five years or more and have been acquired between Jan. 1, 2002 and December 31, 2009.
- Exclusion applies only to an interest in, or property of, certain businesses operating in the RC.
- Includes RC business stock, RC partnership interests, RC business properties.
- Only gains attributed by December 31, 2014 may be excluded.

*IRS Publication 954 available at: www.irs.gov/pub/irs-pdf/p954.pdf



