



## TAX BENEFITS

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### **Business tax-free New York area elimination credit**

This credit would be calculated by the business when filing its tax return. For businesses with 100% of their operations (assets and payroll) in a tax-free area(s), the credit would eliminate any tax liability. For businesses with operations in and out of a tax-free area, the credit would be pro-rated based on the percentage of assets and payroll within a tax-free area(s).

### **Organization tax and license and maintenance fees**

This tax and these fees are levied on corporations based on the value of their stock. The organization tax and license fee are generally paid once and the maintenance fee is paid annually at certain times of the year according to payment schedules in tax law. Payment of the license and maintenance fees is made to the Tax Department by businesses incorporated out of state and the organization tax is paid to the Department of State for businesses incorporated in NY. If a business is 100% located in a tax-free area(s), the business would be exempt from paying the relevant taxes and fees once certified.

### **Metropolitan Commuter Transportation District (MCTD) mobility tax**

This tax is levied on businesses based on their payroll expense within the MCTD and is paid quarterly. If a business is 100% located in a tax-free area, the business would be exempt from this tax once certified.

### **Sales and use tax**

Once certified, a business would apply to the Tax Department to receive a credit or refund for sales and use taxes paid for goods and services used or consumed by the business' operation in a tax-free area(s).

### **Real estate/real property transfer tax**

Leases of real property in a tax-free area to an approved business are exempt from the NYS real estate transfer tax. This exemption also applies to any local real estate or real property transfer tax imposed locally.

### **Personal income taxes (NY State, NY City, Yonkers)**

Employees hired for and whose jobs are certified as net new jobs in a tax-free area will pay no state or local income taxes for the first five years. For the second five years, employees will pay no taxes on income up to \$200,000 for individuals, \$250,000 for a head of household and \$300,000 for taxpayers filing a joint return. There is an annual cap per business on the number of employees that qualify for this exemption and an annual cap statewide of 10,000 net new jobs (i.e., there will be a maximum of 10,000 tax-free jobs after year one, 20,000 tax-free jobs after year two, etc.)