

Anchin Alert

Anchin, Block & Anchin LLP
Accountants and Advisors

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New Jersey Tax Incentives Opportunity

Governor Chris Christie is proposing turning New Jersey's Business Employment Incentive Program (BEIP) into a program offering tax credits in exchange for job creation. This comes after lawmakers cut an estimated \$175 million in BEIP funding from the budget to help close a revenue shortfall last year.

The newly proposed State Budget for Fiscal Year 2016 again does not include the necessary \$175 million appropriation for BEIP. In conjunction with the budget, Governor Christie is recommending the adoption of legislation to permit the voluntary conversion of BEIP grant payments into refundable tax credits, allowing for more certainty as payments would not be subject to an annual appropriation in the State Budget.

As this moves through the legislative process, we will keep you informed of any updates or progress made.

Although several hundred companies are still in the program, BEIP was phased out in 2013 and replaced with new incentives. The BEIP program was one of several similarly purposed programs designed to incentivize businesses to locate in and grow in New Jersey. All of these programs were consolidated by the NJ Economic Growth Act of 2013 into the Grow New Jersey Assistance Program (Grow NJ). The new program provides tax credits of up to \$5,000 per job/year with bonus credits of up to \$3,000 per job/year if the project meets certain requirements.

Grow NJ reduces the qualification threshold for tax breaks for the number of jobs a company needs to add to as low as 10 full-time jobs for technology start-ups and 25 new jobs in targeted industries such as transportation, manufacturing, defense, energy, logistics, life sciences, technology, health and finance.

The highest levels of base credits are for "mega projects" and projects located in Garden State Growth Zones (Camden, Trenton, Passaic and Paterson), or Urban Transit Hubs (Bridgeton, Camden, East Orange, Elizabeth, Hoboken, Jersey City, Mount Holly, New Brunswick, Newark, Paterson, Salem, Trenton and West New York).

Don't leave money on the table: Anchin's Tax Credits and Incentives Group can analyze your current situation and help you obtain and maximize valuable incentives. For more information, please contact your Anchin Relationship Partner or Paul Gevertzman, Practice Leader, Anchin's Tax Credits and Incentives Group at 212.840.3456.

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