TAX BREAK EXTENSIONS FOR LOWER MANHATTAN BUSINESSES

The vote for the final 2014-2015 New York State budget is taking place today, March 31, 2014, and includes an extension of tax breaks for lower Manhattan businesses. Gov. Andrew Cuomo is expected to sign the budget no later than April 1, 2014.

“The Lower Manhattan business community was making great progress after 9/11 when Superstorm Sandy devastated the area again," said New York State Assembly Speaker Sheldon Silver, in announcing the tax breaks. "These financial incentives are a critical investment in our economy, designed to encourage businesses to remain in the community and attract new businesses to what is still the financial capital of the world."

Lower Manhattan is construed as the area south of Canal Street.

The incentives to be passed as part of the budget plan include:

**The Lower Manhattan Energy Program and NYC Energy Cost Savings Program (ECSP)**

Industrial and commercial companies that relocate to new or improved space will receive a discount on the delivery portion of their electric bill and gas delivery costs. The program will be extended to June 30, 2015.

**Lower Manhattan Relocation and Employment Assistance Program**

The program gives a credit of up to $3,000 per eligible employee to firms that relocate all or part of their operations to lower Manhattan. It will be extended to June 30, 2015.

**Lower Manhattan Commercial Rent Revitalization Program**

Intended to increase tenant occupancy in office and retail space, the program provides property tax benefits. The program will be extended for two years.

**New York City Commercial Rent Expansion Program**

This program provides a property tax reduction for spaces that have been leased for commercial or industrial purposes. It provides property tax benefits for qualified new, renewal and expansion leases in commercial offices and manufacturing spaces built before 1999. The program will be extended for two years.

**Lower Manhattan State and Local Sales Tax Exemption**

This program provides exemption from the sales tax on goods purchased for the build-out of office space in lower Manhattan. Minimum lease terms must be 10 years. Leases must commence prior to September 1, 2015 for tenants in lower Manhattan and September 1, 2017 for tenants in the World Financial Center, World Trade Center or Battery Park City.  The program will be extended for two years.

**NYC Commercial Rent Tax Special Reduction**

The program provides an exemption from commercial rent or occupancy tax for premises used for leased space in certain New York City areas. The program extends the date upon which a lease must be entered to June 30, 2015.

**New York City Industrial and Commercial Abatement Program**

The program provides abatements for property taxes for up to 25 years. To qualify, industrial and commercial buildings must be built, modernized, expanded or otherwise physically improved. Those who qualify must spend at least 30 percent of the property’s taxable assessed value within four years. The program application period will be extended for two years.