



EMPIRE ZONES PROGRAM

QUESTION: As long as my business is located in the Rockland County Empire Zone, can I get Zone benefits?

ANSWER: To participate in the Empire Zones Program, a business must first be located in a Zone location and become Zone certified. To qualify for certification, a business must be able to demonstrate that it will create new jobs and/or make investments in the Zone, and be consistent with the Rockland County Empire Zone's development plan, including a cost-benefit analysis. Applications approved by local zone officials are then forwarded to the State for review and approval by the Departments of Economic Development (Empire State Development) and Labor. Contact the **Rockland County Empire Zone Coordinator**, Steven Porath at (845) 735-7040 or stevenp@redc.org, to discuss whether your business qualifies for Zone certification. Once a business is certified, it is eligible to claim tax credits, subject to requirements, and performance based formulas set in Tax Law.

QUESTION: My business is located in Rockland County, which has an Empire Zone. Therefore, is my business in the Zone?

ANSWER: As defined by the Empire Zones Program, Rockland County has been given 1,280 acres, or two square miles of area, that can be used to designate Zone boundaries. In Rockland County, there are six designated Zone areas, which can be viewed at www.co.rockland.ny.us/Legislature/Local/Empire_Zone/Total.htm. To determine if your business is located within a designated Zone area, you can view the maps at the above County website or contact the Rockland County Empire Zone Coordinator.

QUESTION: My business is in Rockland County but not in an Empire Zone, does that mean that I cannot participate in the Program?

ANSWER: To be eligible for certification, a business must be either located in an Empire Zone designated area or qualify as a regionally significant project. If a business cannot be located within one of the designated areas, it may qualify as a regionally significant project. Certain businesses that meet specific job and/or investment criteria and are sponsored by the local Zone community can be located outside of the Zone boundaries and still participate in the Program. Contact the Rockland County Empire Zone Coordinator to discuss your location needs and/or for more information about regionally significant projects.

QUESTION: Is it true that the Empire Zones Program favors large businesses, and small businesses cannot benefit from the Program?

ANSWER: Over 90% of the businesses participating in the Empire Zones Program statewide are small businesses (less than 100 employees). Further, most of the businesses that enter the Program have less than 20 employees, at the time of certification. Because Program benefits are tied to job creation and investment, small, medium and large companies can take advantage of this Program to grow and expand their businesses.

QUESTION: Could my business be too small to realize any benefits from the Zones Program?

ANSWER: There are a variety of Zone related tax incentives that are available for any size business that qualifies for participation in the Program. As mentioned earlier, most businesses participating in the Program are small businesses (fewer than 100 employees). To realize any benefits from the Zones Program, the business must create jobs and/or make qualifying investments.

QUESTION: Is the Program too complicated for small businesses?

ANSWER: Again, most businesses participating in the Program are small businesses. The Rockland County Empire Zone Coordinator is available to help small businesses with Program requirements.

QUESTION: Do I have to be an industrial or manufacturing type business in order to be eligible for all of the Zone benefits?

ANSWER: Any business is eligible for at least some of the Program benefits provided they can be certified in accordance with the Zone development plan, are making qualifying investments and/or are creating jobs. Once certified, any business may be able to claim the following:

- Tax Reduction Tax Credit which helps reduce a business' overall tax liability;
- Sales Tax Exemption on the State portion of the sales tax for taxable purchases made by the business;
- Real Property Tax Credit for real property taxes paid;
- Wage Tax Credit for each new qualifying employee hired in the zone;
- Sales Tax Refund for sales tax paid on construction and materials used in building construction or renovation.

If a business is also a manufacturer, it may be able to claim the investment tax credit and the employment incentive tax credit.

- The investment tax credit is 10% of qualifying investments - 8% if the business is a sole-proprietor. Up to 19% of the investment can be claimed when the investment tax credit is combined with the employment incentive credit to reward employment growth.

QUESTION: Must I own the building where my business operates to be eligible for Zone benefits?

ANSWER: Businesses that lease or rent property to operate their businesses can be eligible for some or all of the benefits. One of the most powerful business development incentives of the Program is the Real Property Tax Credit for qualified Empire Zone enterprises. The Real Property Tax Credit is a credit for real property taxes paid based on a formula that considers job creation, wages (including benefits), and investments made in the Zone. A lessee may claim the Real Property Tax Credit if the lessee has a lease, executed or amended on or after June 1, 2005, to pay the real property taxes; makes the payments directly to the local taxing authority; and obtains proof of payment.

QUESTION: What is the first step I should take if I am interested in applying for Rockland County Empire Zone certification?

ANSWER: While not mandatory, it is strongly recommended that any business seeking certification contact the Rockland County Empire Zone Coordinator to discuss eligibility requirements and/or schedule a preliminary meeting before submitting application documents. This preliminary discussion will be an opportunity to ease the process by answering any questions about the Program and/or the application documents, in advance of the formal submission of an application.

For more information contact:

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