



TAX INCENTIVES

Q: What is a Tax Incentive?

A: A tax incentive is a limited temporary discount on a specific future tax related to a specific project. Tax incentives encourage private investment by helping businesses meet expansion goals, create jobs, and rehabilitate urban blight. A tax incentive is not a grant, and tax incentives are not subtracted from any existing pool of public funds, such as a local school budget. To qualify for tax incentives through the ECIDA, a business must agree to make an agreed-upon large private investment that will create jobs, improve a blighted property, or keep its local workforce from leaving Erie County.

Q: Why does the ECIDA have the authority to offer tax incentives?

A: In 1969, New York State legislation authorized the ECIDA Board of Directors to approve tax incentives for qualified business applicants located in Erie County. ECIDA staff administers and monitors the incentives, to ensure the business is complying with the agreed-upon terms.

Q: What types of tax incentives does the ECIDA offer?

Property Tax Abatement (PILOT):

Temporary savings on future real estate property tax, through a payment in lieu of taxes (PILOT) schedule on County, Municipal, and School taxes, based on expected increased assessed values of a property upon completion of the project [see table on page 2]; PILOT payments create new tax revenue for taxing jurisdictions including schools, and enable large private investment projects to move forward that otherwise would not. The ECIDA does NOT abate current taxes, and does not collect from existing tax revenue.

Sales Tax Exemption:

Limited sales tax savings (8.75%) on the purchase of non-production equipment and/or construction materials.

Mortgage Recording Fee:

Savings of .75% on the one-time mortgage recording fee collected by Erie County when a mortgage is filed.

Q: Is my project eligible for a tax incentive?

A: To determine if your Erie County project meets eligibility requirements, please call (716) 856-6525 ext.138 to speak with an experienced member of our Business Development Team.

THE ECIDA DOES NOT ABATE CURRENT OR PAST TAXES; ECIDA BENEFITS ARE NOT SUBTRACTED FROM EXISTING TAX REVENUE OR SCHOOL BUDGETS.

TAX INCENTIVES ARE NOT “EXTRA MONEY” AWARDED TO APPLICANTS; SIGNIFICANT CAPITAL EXPANSION INVESTMENT IS REQUIRED IN ORDER TO APPLY FOR OR RECEIVE ECIDA BENEFITS, AND APPLICANTS MUST MEET JOB CREATION AND/OR RETENTION GOALS.

ECIDA APPLICATIONS ARE PUBLIC DOCUMENTS. CLIENT APPLICATION SUBMISSION AND ALL BOARD APPROVAL PROCEDURES ARE PUBLICLY ACCESSIBLE.

RETAIL AND MARKET-RATE HOUSING PROJECTS ARE NOT ELIGIBLE TO APPLY. HOWEVER, REHABILITATING BLIGHTED ABANDONED STRUCTURES IN URBAN CORE COMMUNITIES WITH THESE COMPONENTS MAY QUALIFY FOR TAX INCENTIVES AS ADAPTIVE REUSE PROJECTS.

PROJECTS ARE SUBJECT TO COMPLIANCE MONITORING AND ECIDA BEST PRACTICES POLICIES.

NONCOMPLIANCE CAN CAUSE INCENTIVES TO BE RESCINDED, CANCELED OR RECAPTURED.

FOR DETAILS, CALL THE ECIDA AT (716) 856-6525 EXT.138

TAX INCENTIVES FEES & PILOT TERMS



Q. What fees are paid by private businesses to the ECIDA for administering tax incentives?

A. Agency fees include a non-refundable Application & Publication Fee of \$1,000 due upon submission of the online application. The Agency Administrative Fee is approximately 1% - 1.25% of the project costs eligible for benefits.

Additionally, incentive agreements incur attorney fees, which range from \$2,000 to \$29,000 depending on the total project cost eligible for benefits, and the type of benefits approved.

Q. What is the PILOT term?

A. Your expansion project may qualify for a five-year, seven-year, or ten-year PILOT. The property tax savings are graduated over the life of the PILOT term to allow employers to absorb the property tax increase on their invested improvements, and the terms are calculated based on objective project qualifications. Qualified standard PILOT applicants may also opt-in to the Economic Inclusion PILOT enhanced benefit option. Contact the ECIDA with the specifics of your project to determine your PILOT eligibility. Once construction and a new assessment is completed, PILOT payments are calculated and billed directly by the collecting taxing jurisdiction.

Year	5-year Term % of increase in property tax	7-year Term % of increase in property tax	10-year Term % of increase in property tax	
1	25%	5%	5%	
2	35%	10%	10%	
3	45%	15%	15%	
4	55%	20%	15%	
5	65%	25%	20%	
6	100% of increase in property tax paid	30%	20%	
7		35%	25%	
8		100% of increase in property tax paid	25%	25%
9			30%	30%
10			35%	35%
11			100% property tax	100%

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