



Tax Incentives

Quickfacts

- Projects applying for more than \$100,000 in benefits require a Public Hearing.
- Applications are public documents.
- Applications are voted on by the ECIDA Board of Directors.
- Projects are subject to compliance monitoring and ECIDA policies.
- Noncompliance can cause incentives to be rescinded, or “recaptured.”
- “Adaptive reuse” projects involving the rehabilitation of abandoned structures in urban core communities may qualify for tax incentives.

To begin the application process, call (716) 856-6525 and speak with a Business Development Officer.

Q: What is a Tax Incentive?

A: A tax incentive is a temporary discount, or one-time elimination of a designated tax, designed to encourage private investment. A tax incentive is not a grant, and is not taken from an existing pool of public funds. Tax incentives, or abatements, can only be realized if a business makes an investment, such as constructing a new facility, purchasing construction equipment, or making improvements on an existing structure that increase the structure’s assessment value.

Q: Who has the authority to approve tax incentives?

A: The ECIDA has been authorized by New York State legislation to approve and administer tax incentives to qualified businesses located in Erie County.

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

Property Tax Exemption:

Temporary real estate property tax savings through a PILOT (payment in lieu of taxes) on future County, Municipal, and School taxes. These savings are based on expected assessed values of a property upon completion of the project.

Sales Tax Exemption:

Sales tax savings (8.75%) on the purchase of non-production equipment and construction materials, up to a designated limit.

Mortgage Recording Fee:

Reduction in the one-time fee collected by Erie County when a mortgage is filed.

Q: Is my project eligible for a tax incentive?

A: If your business is located in Erie County, please call (716) 856-6525 to speak with a Business Development Officer to see if your project or business meets eligibility requirements.



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Q. What fees are charged to businesses for 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 1.25% of the benefited project amount (for sales tax only projects, 1% of the benefited project amount). Requests for benefit extensions beyond the second anniversary of the inducement date may incur a fee of \$750.

Additionally, incentive agreements incur attorney fees, which are calculated as follows:

Project Amount Subject to Benefits	Attorney Fees
Sales Tax Only (less than or equal to \$500,000)	\$2,000
Less than \$750,000 (excluding sales tax only to \$500,000)	\$5,000
\$750,000 - \$1,500,000	\$9,000
\$1,500,001 - \$3,000,000	\$13,000
\$3,000,001 - \$5,000,000	\$17,000
\$5,000,001 - \$10,000,000	\$20,000
Greater than \$10,000,000	\$28,000
Disbursement Fee	up to \$1,000

Q. What is the PILOT term?

A. Your expansion project may qualify for a 7 or 10-year, or 10-year enhanced PILOT. Contact the ECIDA with the specifics of your project to determine the PILOT term. Under a PILOT agreement, the amount of future property tax you would pay on the increased value of your property during the PILOT is as follows (with full tax after the term expires):

Year	7 Year Term	10 Year Term	10 Year Enhanced Jobs Plus
1	10%	10%	0%
2	10%	10%	0%
3	20%	10%	0%
4	20%	20%	0%
5	30%	20%	0%
6	30%	20%	0%
7	30%	30%	0%
8	100%	30%	10%
9	-	30%	20%
10	-	30%	30%
11	-	100%	100%