



Quick facts

- Tax incentives are not “extra money” for private businesses —rather they help businesses bridge gaps in financing, get to the finish line and achieve their expansion/job goals.
- Applicants must make a large private investment in order to qualify.
- “Adaptive reuse” projects involving the rehabilitation of abandoned structures in urban core communities may qualify for tax incentives.
- ECIDA applications are public documents.
- Projects are subject to compliance monitoring and ECIDA policies.
- Noncompliance can cause incentives to be rescinded, cancelled or recaptured.

For details, call
(716) 856-6525 ext. 128
to speak with an experienced
Business Development Officer

www.ecidany.com



95 Perry Street, Suite 403
Buffalo, NY 14203

Phone: 716-856-6525
Fax: 716-856-6754

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?

A. 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.

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% of the one-time 1% 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. 128 to speak with an experienced member of our Business Development Team.

How can we help you meet your business expansion goals?



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 1.25% of the benefited project amount (for sales tax only projects, or 1% of the benefited project amount). Additionally, incentive agreements incur attorney fees, which are as follows:

Project Investment 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 five-year, seven-year, or ten-year PILOT. Qualified PILOT applicants may also opt-in to the Economic Inclusion Program enhanced PILOT option. Contact the ECIDA with the specifics of your project to determine your PILOT eligibility. Under a PILOT agreement, the amount of future property tax you would pay on the increase in value of the finished project is abated on an agreed-upon term and schedule, after which full property taxes are paid.

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

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