



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- Noncompliance can cause incentives to be rescinded, or “recaptured.”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?

A: Property Tax Exemption:

Temporary real estate property tax savings through a PILOT (payment in lieu of taxes) on 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:

1% savings of the total mortgage amount, normally collected by Erie County as a one-time fee 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.



95 Perry Street, Suite 403
Buffalo, NY 14203

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

Q. How are fees charged and collected?

The non refundable application and publication fee is to be made payable to the Erie County Industrial Development Agency and is due upon submission of your application. Any additional costs associated with meeting the agency’s current environmental policy are the responsibility of the applicant. If a project application does not close, applicant is responsible for any costs incurred by the agency on behalf of the project.

Generally, fees are payable as follows: first 1/3 is payable on the earlier of 60 days from the inducement date or at issuance of sales tax letter. Additional 1/3 is payable on the 1st anniversary of the inducement date and balance payable on the earlier of the 2nd anniversary of the inducement date or at closing. Fees for extensions beyond the 2nd anniversary = \$750. Fees for sales & /or mortgage recording tax only projects are 100% payable at closing.

ECIDA Fees:

Application & Publication Fee	\$ 1,000
Administrative Fee	1.25% of benefited project amount

Attorney Fees

Bond/Lease Amount	<u>Fee</u>
Sales Tax Only (<= \$500,000)	\$2,000
< \$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
> \$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, 10, 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 property tax you would pay on the increased value of your property is as follows:

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%