



Economic Redevelopment

and Growth (ERG) Grant Program

This publication does not apply to the residential component of the ERG Grant Program. See N.J.S.A. 34:1B-209.3 for additional information.

Information and Application for Reimbursement

The Economic Redevelopment and Growth (ERG) Grant Program was established as part of the New Jersey Economic Stimulus Act of 2009 (P.L. 2009, c.90). The Program reimburses developers who enter into a redevelopment incentive grant agreement with the New Jersey Economic Development Authority (NJEDA) and the State Treasurer for up to 20 percent of their remediation and construction costs. The reimbursements, which are not paid until after the redevelopment project is completed, are funded up to 75 percent with certain new State tax revenues realized from the redevelopment project.

To receive reimbursement of its remediation and construction costs, a developer must first apply for a redevelopment incentive grant with the NJEDA. Once the redevelopment project is completed, the developer must submit an application for reimbursement to the Director of the Division of Taxation.

Obtaining a Redevelopment Incentive Grant

To obtain a redevelopment incentive grant agreement, a developer must file an application with the NJEDA. The NJEDA and the State Treasurer must consider the factors set forth in N.J.S.A. 52:27D-489i(f) in deciding whether or not to enter into an agreement with the developer. Once they approve an application, the NJEDA Board and the State Treasurer will enter into a State Economic Redevelopment and Growth Incentive Grant Agreement with the developer. The agreement will outline the requirements the developer must satisfy to receive reimbursement of any qualifying remediation and construction costs. The grant application must be filed with and approved by the NJEDA before the developer begins remediation and/or construction.

Applying for Reimbursement

The developer must submit an Application for Reimbursement

of Redevelopment Costs (see Attachment A) to the Director of the Division of Taxation once the redevelopment project is completed, but before there is a functioning business operation on the project site. This application must contain the following:

- A certification from the NJEDA of the total costs the developer incurred and paid for the redevelopment;
- A statement that either the place of business that is the subject of the application or the construction of new residential units is located in the area which is the subject of a redevelopment incentive grant agreement and has generated *new* tax revenues; and
- Any such other information as the Director deems necessary.

The application must also include a list of the retail vendors or other businesses at the project site which will be generating new tax revenues (as set forth in N.J.S.A. 52:27D-489f), and properly documented

receipts evidencing sales tax paid for materials used for the construction of structures or new residences at the project site.

The Director will review the request and either approve or deny the application. The Director is required to approve the application and certify that a developer is eligible for reimbursement if:

1. The developer obtained certification from the NJEDA that the project was completed in accordance with the terms of the redevelopment incentive grant agreement, and the total project costs have been presented to the Director by the NJEDA; and
2. Either the place of business that is the subject of the application or the completed residential construction is located in the area subject to the redevelopment incentive grant agreement and has generated new tax revenues.

Receiving Periodic Reimbursement

Each year, for the term of the redevelopment incentive grant agreement, the State Treasurer will issue reimbursement payments to the developer. The Department of the Treasury will withhold 20 percent of any reimbursement, which cannot be released to the developer until the refund period for applicable tax revenues, as provided in the State Tax Uniform Procedure Law (N.J.S.A. 54:49-14), has expired.

The reimbursements are funded by new State tax revenues realized by the redevelopment program from the following taxes:

Corporation Business (Franchise) Tax (N.J.S.A. 54:10A-1)

Tax imposed on marine insurance companies (N.J.S.A. 54:16-1)

Insurance Premiums Tax (N.J.S.A. 54:18A-1)

Public Utility Franchise Tax **Public Utility Gross Receipts Tax** **Public Utility Excise Tax** (N.J.S.A. 54:30A-49 et seq.)

Gross Income Tax imposed on:

- Net profits from business (N.J.S.A. 54A:5-1(b))
- Distributive share of partnership income (N.J.S.A. 54A:5-1(k))
- Net pro rata share of S corporation income (N.J.S.A. 54A:5-1(p))

New Jersey Sales and Use Tax (N.J.S.A. 54:32B-1 et seq.) derived from:

- Taxable sales from a business at the site of the redevelopment project.
- The purchase of materials used for the remediation or in the construction of new structures, or the construction of new residences at the site of a redevelopment project.

Hotel/Motel Occupancy Fee (N.J.S.A. 54:32D-1 et seq.)

A portion of the Realty Transfer Fee (RTF) (N.J.S.A. 46:15-7) from the sale of real property at the project site (that is not credited to the Shore Protection Fund or the New Jersey Affordable Housing Trust Fund).

Contact Parties

The following are the contact persons from each department:

New Jersey Economic Development Authority

Paul Ceppi 609-858-6863
PCeppi@njeda.com

Treasury – Taxation

El-Rhonda Williams Alston
609-292-7127
El-Rhonda.Alston@treas.nj.gov

ATTACHMENT A



STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION
PO BOX 269
TRENTON, N.J. 08695-0269

**APPLICATION FOR REIMBURSEMENT OF REDEVELOPMENT COSTS UNDER THE
ECONOMIC REDEVELOPMENT AND GROWTH GRANT PROGRAM**

TO: Office of the Director
Division of Taxation
PO Box 269
Trenton, NJ 08695-0269
Attn: El-Rhonda Williams Alston, Regulatory Officer

The developer does hereby certify that:

1. Developer has entered into a State Economic Redevelopment and Growth Incentive Grant Agreement with the New Jersey Economic Development Authority (NJEDA) and the State Treasurer and is in compliance with same.
2. Check one:
 - The place of business which is the subject of this application is located in the area which is the subject of a State Economic Redevelopment and Growth Incentive Grant Agreement entered into with the NJEDA and the State Treasurer and has generated new tax revenues.
 - Residential construction has been completed in the area which is the subject of a State Economic Redevelopment and Growth Incentive Grant Agreement entered into with the NJEDA and the State Treasurer.
3. The total eligible redevelopment (remediation and construction) costs actually and reasonably incurred and paid for subject property amount to \$_____. Developer has received a certification of these costs from the NJEDA.
4. Check all appropriate boxes:
 - Developer has not received any other State, Local, or Federal tax incentives or grants to remediate/construct on the subject property.
 - Developer has received other State, Local, or Federal tax incentives or grants to remediate/construct on the subject property in the amount of \$_____.
 - Developer has an existing Brownfield Redevelopment Agreement, which has been fully satisfied.
 - Developer has an existing Brownfield Redevelopment Agreement, which has not been fully satisfied.

I do hereby certify the above information to be true and correct and submitted for the purpose of obtaining approval for reimbursement of redevelopment costs pursuant to N.J.S.A. 52:27D-489i(f).

DEVELOPER:

Address: _____

BY: _____

(Title)

Fax: _____

ATTACHMENT A

Project Address: _____

Contact: _____

Phone: _____

Email: _____

Other names commonly used to reference the site (e.g. site formerly known as X):
