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COUNTY OF ERIE

MARK C. POLONCARZ
COUNTY EXECUTIVE

November 5, 2012

Erie County Legislature
92 Franklin Street – 4th Floor
Buffalo, New York 14202

RE: Qualified Empire Zone Enterprise (QEZE) Refund/Credit

Dear Honorable Members:

Enclosed please find a proposed resolution authorizing the County Administration to enter into agreements with the State of New York to extend the Qualified Empire Zone Enterprise (QEZE) Refund/Credit program for an additional one year.

Erie County currently employs the use of the QEZE program in promoting new development and job creation opportunities within the County. The current QEZE agreement expires on February 28, 2013 and application for an extension must be submitted prior to December 1, 2012 to the NYS Commissioner of Taxation and Finance.

Should your honorable body require any further information, I encourage you to contact Kenneth Swanekamp in the Department of Environment and Planning. Thank you for your consideration on this matter.

Sincerely,

Mark C. Poloncarz, Esq.
Erie County Executive

MCP/cp
Enclosure

C: Richard M. Tobe, Deputy County Executive
Maria R. Whyte, Commissioner, Department of Environment and Planning

MEMORANDUM

To: Honorable Members of the Erie County Legislature
From: Department of Environment and Planning
Re: Qualified Empire Zone Enterprise (QEZE) Refund/Credit
Date: October 25, 2012

SUMMARY

Erie County has successfully utilized the New York State Qualified Empire Zone Enterprise Refund/Credit Program to promote new development and job creation opportunities in Erie County for the past two years. The program must be renewed annually with the New York State Department of Taxation and Finance. Qualified businesses that utilize this benefit must be certified by the New York State Empire Development Corporation.

FISCAL IMPLICATIONS

There is no direct fiscal impact for obtaining an extension of the QEZE Refund/Credit Program.

REASON FOR RECOMMENDATION

Erie County has successfully utilized the QEZE Program as one of its economic development tools in promoting new development within Erie County.

BACKGROUND INFORMATION

New York State authorized Empire Zones in the City of Buffalo, City of Lackawanna and the Town of Tonawanda due to the fact that standard economic development programs were not sufficient to induce investment in parts of these communities. Investments were made by companies with the understanding that Empire Zone benefits, including sales tax exemptions, would be available for the life of the program benefit as determined by New York State.

CONSEQUENCES OF NEGATIVE ACTION

Erie County will have more difficulty in attracting new development and job creation opportunities within the County and there may be lost opportunity for new tax base growth.

STEPS FOLLOWING APPROVAL

The Erie County Department of Environment and Planning will submit the authorizing resolution to the New York State Commissioner of Taxation and Finance for approval of the extension of QEZE benefits. A certified copy will then be filed with the Erie County Clerk, the Secretary of State, and the State Comptroller.

A RESOLUTION SUBMITTED BY:
DEPARTMENT OF ENVIRONMENT AND PLANNING

RE: Qualified Empire Zone Enterprise
(QEZE) Refund/Credit

WHEREAS, the State of New York has established an Empire Zone Program to revitalize economic development by providing financial inducements for businesses and industry to locate within Empire Zones; and

WHEREAS, the proposed amendment to Section Twelve of the County Sales and Use Tax Resolution will provide for refunds or credits of local sales and compensating use taxes applicable to Qualified Empire Zone Enterprises (QEZE); and

WHEREAS, pursuant to New York Tax Law Section 1210(d), this resolution must be submitted to the New York Commissioner of Taxation and Finance prior to December 1, 2012 for a March 1, 2013 effective date; and

WHEREAS, Erie County has provided for QEZE exemptions on an annual basis for a number of years and wants to continue to provide the QEZE refund/credit provisions that superseded those expired exemptions; and

WHEREAS, Erie County wishes to continue to participate in the Empire Zone Program established by New York State.

NOW, THEREFORE, BE IT ENACTED by the Legislature of the County of Erie, as follows:

Section 1. Subdivision (d) of section twelve of the Erie County Sales and Use Tax Resolution being a resolution adopted by the Board of Supervisors of the County of Erie being Item 8 of Meeting Number 31, held on July 27, 1965, Supervisors Proceedings, Page 666, as amended; is amended to read as follows:

(d) For the period beginning March 1, 2013, and ending on February 28, 2014, the provision for credit or refund described in subdivision (d) of Section 1119 of the New York Tax Law, relating to Qualified Empire Zone Enterprises, shall apply to taxes imposed by this enactment.

Section 2. This resolution shall take affect March 1, 2013 and shall apply to sales made, services rendered and uses occurring during the period of March 1, 2013, through February 28, 2014, in accordance with the applicable transitional provisions in sections 1106 and 1217 of the New York Tax Law.

and be it further

RESOLVED, that certified copies of this resolution be filed with the Erie County Clerk, the Secretary of State, the State Comptroller, and that certified copies be sent to the County Executive; the Director of the Division of Budget and Management; the County Comptroller; the Commissioner of Environment and Planning; and the County Attorney.