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COUNTY OF ERIE

MARK C. POLONCARZ

COUNTY EXECUTIVE

IMMEDIATE CONSIDERATION

December 9, 2014

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

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

Dear Honorable Members:

Enclosed please find an accompanying memorandum and proposed resolution to extend the Tax Law section 1119(d) refund credit 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, 2015 and application for an extension with a waiver request must be submitted prior to January 30, 2015 to the New York State Commissioner of Taxation and Finance.

Should your Honorable Body require any further information, I encourage you to contact Kenneth J. Swanekamp, Director of Business Assistance at the Department of Environment and Planning. Thank you for your consideration on this matter.

Sincerely yours,

Mark C. Poloncarz, Esq.
Erie County Executive

MCP/cw
Enclosure

Cc: Maria R. Whyte, Commissioner
Kenneth J. Swanekamp

MEMORANDUM

To: Honorable Members of the Erie County Legislature
From: Department of Environment and Planning
Re: Extension of Qualified Empire Zone Enterprise (QEZE) Refund/Credit Program
Date: December 9, 2014

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.

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.

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.

STEPS FOLLOWING APPROVAL

The Erie County Department of Environment and Planning will submit certified copies of 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: Extension of Qualified Empire Zone
Enterprise (QEZE) Refund/Credit Program

RESOLUTION of the Legislature of the County of Erie, electing the provision for refund or credit of sales and compensating use taxes described in section 1119(d) of the New York Tax Law, relating to Qualified Empire Zone Enterprises, qualified entities that are also tenants in or part of a New York State innovation hot spot, and to businesses located in an approved tax-free NY area, pursuant to the authority of section 1210(a)(1)(i) of the New York Tax Law.

WHEREAS, the State of New York has established an Empire Zone Program and other programs to revitalize economic development by providing financial inducements for businesses and industry to locate within Empire Zones and in other State-approved locations; 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 certain other business entities; and

WHEREAS, pursuant to New York Tax Law Section 1210(d), a certified copy of this resolution must be properly mailed to the New York State Commissioner of Taxation and Finance with a waiver request prior to January 30, 2015, for a March 1, 2015, effective date; and

WHEREAS, Erie County has provided the Tax Law section 1119(d) refund/credit on an annual basis for a number of years and wants to continue to provide it; 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, 2015, and ending February 29, 2016, the provision for refund or credit described in section 1119(d) of the New York Tax Law, relating to Qualified Empire Zone Enterprises, qualified entities that are also tenants in or part of a New York State innovation hot spot, and to businesses located in an approved tax-free NY area, shall apply to the taxes imposed by this enactment.

Section 2. This resolution shall take effect March 1, 2015, and shall apply in accordance with 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 State Commissioner of Taxation and Finance, the Secretary of State, and 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 Erie County Clerk; the Commissioner of the Department of Environment and Planning; and the County Attorney.

Comm. 26E-6

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