

Business Guide To New York State 2009

Empire State Development International Division



Empire State Development International Division
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New York State Department of Economic Development

Thank you for your interest in New York State. We look forward to assisting you in your future business endeavors within New York. New York State helps foreign companies establish or expand operations within our state in manufacturing, distribution, services and sales through both technical and financial assistance — helping businesses compete more effectively and profitably in the domestic and global marketplace. The Business Guide to New York is intended to answer some of your questions and direct you to the appropriate contacts while moving forward.

Services we Can Provide:

- Identification of potential sites and buildings
- Demographic, wage, tax and utilities cost data
- Access to New York's incentive programs such as financing, tax credits and training assistance
- Information about quality of life in communities under evaluation
- Networking with local government officials and private business people
- Expedited assistance with the procurement of state permits, charters, etc.
- Project coordination and facilitation through a network of regional and foreign offices

Representing New York's lead economic development agency, Empire State Development comprises a network of 20 offices throughout the State and around the world. Our international trade specialists help businesses to relocate to or establish a presence in New York State, expand existing operations, and compete more effectively and profitably in domestic and international markets. While we hope you will find our general information useful for your initial enquiry, our office will work with you and your business to develop a comprehensive plan to deal with issues specific to your venture.

Please contact us:

United States:

New York State Department of Economic Development
International Division
633 Third Avenue
New York, New York 10017-6706
Tel: +1 212 803 2200
Fax: +1 212 803 2399
Contacts: Kuni Akasaka – Foreign Direct Investment
(212) 803-2345 (direct)

1. 1. Foreign Investment in New York State

New York State is at the core of the expanding international marketplace and a leading magnet for foreign investment in the United States. The State is optimally positioned at the center of the world's largest, richest, and most active consumer marketplace.

New York State represents overseas interests in almost every industry including finance and banking, retail, business services, transportation, distribution, and manufacturing. New York's strengths include a highly skilled workforce and an unparalleled transportation network. We are recognized internationally for our great schools and dedication to research and development. More and more investors from around the world look to New York for their investment needs.

New York State's share of gross property, plant and equipment of foreign affiliates in 2006 was \$68.6 billion, up 7.7% from 2005 levels. This international investment level ranks New York State third in the nation, after California (\$103.4 bn) and Texas (\$96.6 bn).

Of the \$62.1 billion of FDI in NYS, major investing countries in rank order include:

UK	\$15.8 billion
Canada	\$10.0 billion
Japan	\$ 8.6 billion
Germany	\$ 7.8 billion
France	\$ 6.3 billion
Switzerland	\$ 3.4 billion
Netherlands	\$ 3.2 billion
Australia	\$2.1 billion
Italy	\$1.1 billion

2. New York State On-line

The New York State Department of Economic Development website offers a variety of resources to assist companies relocating or expanding in New York State. We suggest you visit the Empire State Development website at www.nylovesbiz.com and in particular, the New York Worldwide link at <http://www.empire.state.ny.us/International/Default.asp> to learn more about how our agency helps international businesses interested in conducting affairs in New York State. It also highlights our many resources and programs.

Other New York State Online ResourcesE-bizNYS

New York State offers individuals and businesses a world of online information to help you conduct business in and with New York State. Whether you are a citizen trying to renew your license or a company looking for online business tax forms, the following pages will provide you with a quick and easy way to find valuable information.

Starting, expanding, or relocating a business? Visit the Empire State Development homepage. You will find both state-wide and regional economic development information at this site.

Empire State Development
633 Third Avenue
New York, NY 10017-6706
Tel: toll free +1-800-STATE-NY (1-800-782-8369)
E-mail: esd@empire.state.ny.us
<http://www.nylovesbiz.com>

Having regulatory problems with a state agency? The Governor's Office of Regulatory Reform helps citizens and business cut through red-tape by providing assistance with State and local regulations including building codes, permits, etc.

Governor's Office of Regulatory Reform
Agency Bulding 1-4th Floors

Empire State Plaza
Albany, NY 12220-0107
Tel: +1 518 486 3292 or toll free + 1 800 324 3464
E-mail: gorr@gorr.state.ny.us
<http://gorr.state.ny.us/gorr>

The New York Power Authority seeks to assist businesses locating to New York State by providing low-cost power.

<http://www.nypa.gov>

Communications and
Marketing Services/Web
New York Power Authority
Mailroom - 10-B
123 Main Street
White Plains, NY 10601-3170

(914) 287-4271 (leave message)

E-mail info@nypa.gov

The New York State Banking Department is the primary regulator for state-licensed and state-chartered financial entities, including domestic banks, foreign agencies, branches and representative offices, savings institutions and trust companies and other financial institutions operating in New York. The Department can help foreign financial institutions apply and obtain charters and a variety of other permits to operate within New York State. The Banking Department also seeks to provide financial assistance to small businesses that hope to grow in New York State.

<http://banking.state.ny.us>

The Department of Labor serves as the State's principal source for labor market information and offers a variety of services designed to help businesses find workers and people find jobs. Businesses can place job orders, find information on state and federal tax credit certification, receive nationwide exposure through the New York job bank, learn about free human resources consultation and professional development seminars through the Job Service Employer Committee and obtain information on unemployment insurance, wage and hour laws, workplace safety and health, alien employment certification, and public work, Safety & Health Industrial Code rules and posting requirements.

E-mail: nysdol@labor.state.ny.us

<http://www.labor.state.ny.us>

The Department of Taxation and Finance can assist with tax related questions and problems. Also the Department manages a series of tax incentive programs including the Empire Zones which are geographically defined areas where businesses have access to vacant land, existing industrial and commercial infrastructure, a skilled workforce and abundant resources such as power and water supplies. The Empire Zones are particularly attractive in that they offer numerous tax incentives for qualifying businesses located within the zone. Their website also provides all New York State tax forms online as well a vast array of other online services

<http://www.tax.state.ny.us/>

The New York State Department of State is responsible for the licensing of the financial community, corporations, as well as attorneys. The Office of Business and Licensing Services interacts extensively with the state's business community. To file for incorporation, businesses must contact the Department of State. The Department's Internet site has made licensing applications, publications, corporate filing information, and more, available online. Customers can access databases to check the registry of Department licensees and corporate and business entities.

E-mail: info@dos.state.ny.us
<http://www.dos.state.ny.us/>
<http://www.dos.state.ny.us/corp/corpwww.html> (Division of Corporations)

The Workers' Compensation Board administers workers' compensation insurance which provides weekly cash payments and the cost of full medical treatment, for covered employees who become disabled as a result of a disease or injury connected with their employment. The Board processes workers' claims for benefits, employers' reports of injury, and medical reports from physicians and other health care providers.

E-mail: webmaster@WCB.STATE.NY.US
<http://www.wcb.state.ny.us/>

The New York State Insurance Fund provides Worker' Compensation and Disability Benefits to businesses across New York State. As a self-supporting insurance carrier which competes against private insurers, the fund drives down the cost of workers' compensation insurance for businesses operating in New York State and ensures that all New York businesses have a market for workers' compensation insurance available to them at a fair price.

<http://www.nysif.com>

The Energy Research and Development Authority has helped the State's businesses and municipalities with their energy and environmental problems by identifying existing technologies and equipment to reduce their energy costs. Since 1990, NYSERDA has successfully developed and brought into use more than 150 innovative, energy-efficient, and environmentally beneficial products, processes, and services.

E-mail: info@nyserda.org
<http://www.nyserda.org/>

The Small Business Development Center is a network of 24 regional centers that deliver high quality business counseling and training to New Yorkers who want to start a business or improve the performance of an existing business free of charge.

<http://www.nyssbdc.org/>

New York Site Finder

The New York Site Finder website has been developed by Empire State Development to facilitate the site selection process in New York State. In partnership with local and regional economic development agencies, utility companies, commercial realtors, and other economic development professionals, we are

able to provide to provide businesses looking to expand or relocate to the State with the most extensive and current inventory of industrial sites and buildings. The New York Site Finder will allow you to customize you search criteria to yield results that meet you project's specific needs.

New York Site Finder
Empire State Development
30 S. Pearl Street
Albany, NY 12245
Tel: 518-292-5200
Fax: 518-292-5810
E-mail: NYSITEFINDER@empire.state.ny.us
http://www.nylovesbiz.com/NY_SiteFinder/default.asp

2. Other Government Business Assistance

Some business activities require federal, state or local licenses or permits. We can assist you in identifying the appropriate license and permits agencies to contact upon formation of your Corporation.

United States Internal Revenue Service: Federal Employer Identification Number (FEIN), sub-chapter S status, withholding federal income tax and federal unemployment tax. Most functions of the IRS are now located online and businesses can now ever pay corporate taxes via the internet. All documents and online transactions can be located at:

<http://www.irs.gov/businesses/index.html>

Social Security Administration: Withholding under the Federal Insurance Contributions Act (FICA)/Social Security tax is the responsibility of all businesses. The Social Security Administration has also digitized many of its common transactions. Information, online payment, and all forms can be found at:

<http://www.ssa.gov/>

United States Immigration and Naturalization Services: Requirements regarding the verification of the employment eligibility of new employees can be found along with information regarding visas and work permits for non-US residents. All immigrant related services including most forms and application can now be found and submitted online at:

<http://uscis.gov/graphics/1EGOVSER.htm>

New York City Department of Small Business Services

City Business Assistance Program
110 William Street
New York, NY 10038
Tel: +1 212 513 6300
http://www.nyc.gov/html/sbs/nycbiz/html/incentives/incentives_main_new.shtml

New York City Department of Buildings

In the City of New York, businesses that hold more than 75 people are required to Assembly permit. The Department of Buildings also provides Certificate of Occupancy, renovation permits and a host of other authorizations. They maintain an office in each borough as well as a central office.

NYC Department of Buildings
280 Broadway
New York, NY 10007
Tel: +1 212 566-5000 • TTY: +1 212 566-4769
<http://www.nyc.gov/html/dob/home.html>

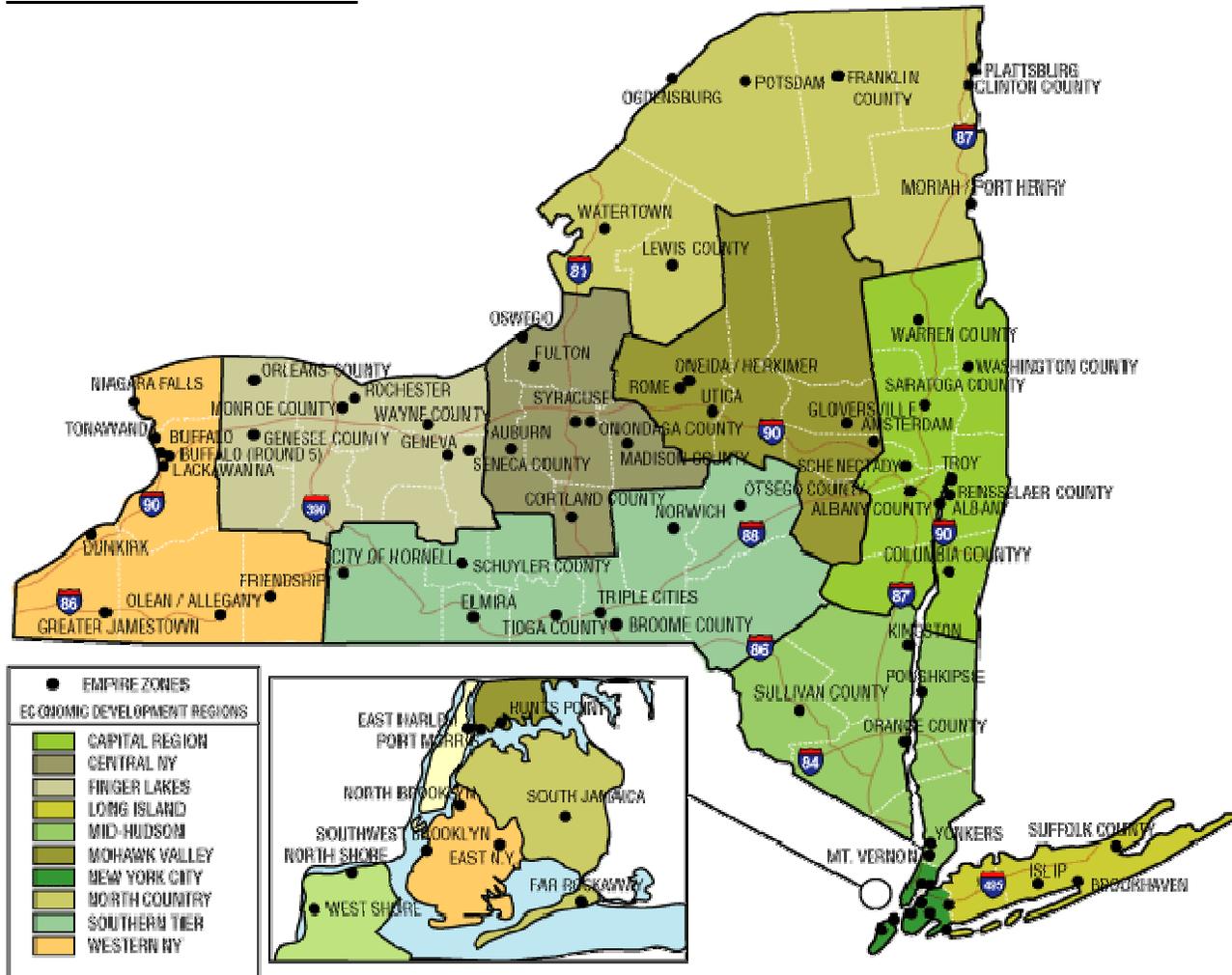
United States Custom Service

If your business plans to import or export goods, please contact the New York Office of the United States Customs Service. While one does not need a license to act as an importer, some items require a license or permit from various government agencies in order to be imported. The service can also help your business to find and use government programs, guide businesses through the export process, direct businesses to market research and trade leads, provide information on overseas and domestic trade events and activities, supply sources of public and private export financing.

Tel: +1 212 466 5609

<http://cbp.gov/>

3. New York State – at a Glance



Economy

Area: 121,730 sq km

Capital: Albany

Major Cities: New York City, Albany, Rochester, Buffalo, Binghamton, Niagara Falls, Syracuse, Yonkers, Utica

Currency: US dollar

\$1 = €.72(June 10, 2009)

GSP: \$1,103 billion (2008)

GSP growth: 3.1%

GSP per capita: \$57,156

Unemployment: 7.7% (2003)

Workforce

The knowledge and skills of New Yorkers, combined with their capacity and motivation, are the basis for innovation in industry, culture, education and the arts. With a labor force of nearly 9 million individuals, New York workers are well positioned to support business development.

- Manufacturing wages in New York are lower than in most industrial states including, Missouri, Washington, Delaware, Colorado, Louisiana, Connecticut, Indiana, Michigan, and Ohio.
- With 309 two and four-year colleges, New York has one of the most extensive networks of academic institutions in the nation. These institutions also provide an important resource for continuing education and vocational education programs.
- More than one million students are enrolled in undergraduate and graduate programs in New York.
- More than 23 percent of all adults have completed four or more years of college compared to about 20 percent for the U.S. as a whole.
- Nearly 10 percent of the national total of science and engineering graduate students are enrolled in New York institutions.

New York is a diverse state in the characteristics of its population, the nature of its regions and geography, and the breadth of its cultural and recreational attractions. This diversity provides a variety of location choices for people and business from sophisticated urban centers to rural and wilderness settings.

Minimum wage: \$7.15 per hour

Unionization: 24.9%

Education

New York is leading the nation into the new economy with a special emphasis on high-tech industries. New York has formed outstanding public and private university research partnerships with annual research expenditures of almost \$2 billion. It has implemented several important initiatives to boost growth in the high tech industry such as Centers of Excellence, a statewide network of cooperative research and development centers among universities, private industry and state government. As a national leader in the high-technology field, New York has a unique blend of highly skilled and educated workforce as well as heavy support from both the governmental and academic sources.

Science and Engineering Profile			
Characteristic	State	U.S.	Rank
Doctoral scientists, 2001 ¹	42,610	542,940	2
Doctoral engineers, 2001 ¹	6,490	112,770	3
S&E doctorates awarded, 2001 ¹	2,128	25,509	2
S&E post doctorates in doctorate-granting institutions, 2001 ¹	4,041	42,899	3
S&E graduate students in doctorate-granting institutions, 2001 ¹	37,677	452,411	2
Federal spending			
Total expenditures, 2001 (millions).....	\$116,366	\$1,753,011	2
Total R&D performance, 2000 (millions).....	\$13,556	\$244,855	3
Industry R&D, 2000 (millions).....	\$10,539	\$187,544	5
Academic R&D, 2001 (millions).....	\$2,476	\$32,716	2
Public higher education current-fund expenditures, 2000 (millions).....	\$7,799	\$152,068	3
Number of SBIR awards, 1999-2001	527	13,650	6
Utility Patents issued to state residents, 2001.....	6,349	87,605	3

Infrastructure

Telecommunication costs:?????

Transportation:

New York has superior road, rail, sea, river and air link with the whole of the North-East United States and Canada and is a major shipping and transportation artery for the entire globe. It has over 500 airports and landing facilities, 33 deep river ports and access to the Great Lakes, St. Lawrence Seaway and the Atlantic Ocean.

Regional Briefing

New York State stretches from the skyscrapers of lower Manhattan to the roar of Niagara Falls, providing a diverse array of geographic and demographic options for the expansion of your business. Each region has access to a uniquely talented workforce, prime industrial and commercial buildings and ample power and water resources. And with 72 areas designated Empire Zones spread across the state, businesses looking to expand are provided with special incentives that amount to an essentially “tax-free” business environment for up to 10 years.

Capital District

Empire Zones – Albany, Albany County, Columbia County, Rensselaer County, Saratoga County, Troy, Schenectady, Warren County, and Washington County. Target Sectors – business services, financial services, tourism, distribution, and communications and media services. Infrastructure – Albany International Airport was recently expanded. Deep-water port at Albany which has recently been connected to freight rail service. Newly constructed Albany-Rensselaer Train Station. Education –12 four-year and six two-year colleges and universities including Rensselaer Polytechnic Institute (the oldest technical college in the US).

Workforce: 550,500 (2003)

Average Wage (per week): \$678.81

Office Rent: Class A (2003 weighted average):

 CBD – \$20.25

 Outside CBD – \$17.50

Industrial Rent: \$3.00/sf for 20,000-39,999sf (city)

 \$3.75/sf for 20,000-39,999sf (suburban)

Central New York

Empire Zones –Cortland County, Oswego, Fulton, Onondaga County, Auburn, Madison County, and Syracuse. Target Sectors – business services, financial services, distribution, tourism, industrial machinery and systems. Infrastructure — Hancock International Airport in Syracuse, Port of Oswego. Education — more than a dozen colleges and universities with a strong emphasis on technology.

Workforce: 358,900 (2003)

Average Wage (per week): \$650.21

Office Rent: Class A (2003 weighted average):

CBD – \$16.00

Outside CBD – \$15.75

Industrial Rent: \$3.00-4.00/sf for 20,000-39,999sf (suburban)

Finger Lakes

Empire Zones — Genesee County, Monroe County, Orleans County, Rochester, Geneva, Seneca County, Wayne County. Target Sectors — optics and imaging, business services, tourism, financial services, and distribution. Infrastructure — Rochester International Airport. Education — 13 two-year and four-year colleges and universities.

Workforce: 630,200 (2003)

Average Wage (per week): \$661.33

Office Rent: not available

Industrial Rent: not available

Long Island

Empire Zones — Islip, Brookhaven, Suffolk County. Target Sectors — business services, financial services, distribution, tourism, communications and media services, and electronics manufacturing. Infrastructure — two local airports and two international airports in New York City. Education—13 four-year and six two-year colleges and universities.

Workforce: 1,485,800 (2003)

Average Wage (per week): \$776.85

Office Rent: not available

Industrial Rent: not available

Mohawk Valley

Empire Zones — Oneida/Herkimer Counties, Rome, Utica, Gloversville, Amsterdam. Target Sectors — financial services, tourism, business services, materials processing, fashion, apparel and textiles, and distribution. Infrastructure — Oneida Country Airport provides connections to the US and Canada. Education – 11 four-year and two-year colleges and universities.

Workforce: 246,100 (2003)

Average Wage (per week): \$538.69

Office Rent: not available

Industrial Rent: not available

Mid Hudson

Empire Zones — Dutchess County (Poughkeepsie), Mt. Vernon, Sullivan County, Kingston, Orange County, Yonkers. Target Sectors — business services, tourism, financial services, distribution, electronics manufacturing, and communications and media services. Infrastructure — Stewart International Airport and 4 country airports. Education — 27 four-year and two-year colleges and universities.

Workforce: 1,105,300 (2003)

Average Wage (per week): \$793.94

Office Rent: not available

Industrial Rent: not available

New York City

Empire Zones — Brooklyn Navy Yard – East Williamsburg, North Shore, West Shore, Port Morris, Hunts Point, East Harlem, Southwest Brooklyn, South Jamaica, East New York, Far Rockaway. Target Sectors — financial services, business services, communications and media services, fashion, apparel and textiles, tourism, and distribution. Infrastructure—LaGuardia, Kennedy and nearby Newark airports all provide international services. Education — 89 institutions of higher education, including research universities such as Columbia and Rockefeller.

Workforce: 3,683,000 (2003)

Average Wage (per week): \$1,143.48

Office Rent: Class A (2003 weighted average):

CBD – \$49.70

Outside CBD – \$40.00

Industrial Rent: \$20.00/sf for 20,000-39,999sf (city)

North Country

Empire Zones — Franklin County, Watertown, Lewis County, Ogdenburg, Potsdam, Plattsburgh, Clinton County, Essex County (Moriah/Port Henry). Target Sectors — tourism, distribution, materials processing, financial services, and business services. Infrastructure — Deep-water facilities at the port of Ogdenburg, the port of Montreal is also accessible. Education — 10 colleges and universities.

Workforce: 192,600 (2003)

Average Wage (per week): \$550.48

Office Rent: not available

Industrial Rent: not available

Southern Tier

Empire Zones — Elmira, Tioga County, Triple Cities, Broome County, Norwich, Hornell, Otsego County, and Schuyler County. Target Sectors—electronics manufacturing, business services, tourism, industrial machinery, financial services, materials processing, and optics and imaging. Infrastructure — three regional airports. Education — more than a dozen colleges and universities. Highest per capita concentration of engineers in the country. Cornell University and SUNY Binghamton.

Workforce: 355,900 (2003)

Average Wage (per week): \$604.15

Office Rent: Class A (2003 weighted average):

CBD – \$11.00

Outside CBD – \$16

Industrial Rent: \$3.00/sf for 20,000-39,999sf (suburban)

Western Tier

Empire Zones — Niagara Falls, Buffalo (2), Lackawanna, Dunkirk/Sheridan, Greater Jamestown, Friendship, Cattaraugus County, and the Town of Tonawanda. Target Sectors—business services, financial services, distribution, tourism, and industrial machinery. Infrastructure —Niagara International Airport and three regional airports, Port of Buffalo. Education — 30 educational institutions, including the University of Buffalo and SUNY Buffalo

Workforce: 707,200 (2003)

Average Wage (per week): \$612.04

Office Rent: Class A (weighted average):

CBD – \$21.00

Outside CBD – \$20.00

Industrial Rent: \$3.95/sf for 20,000-39,999sf (city)

\$5.00/sf for 20,000-39,999sf (suburban)

4. Tax Responsibilities

New York State is a national leader in cutting taxes and our policies of reducing taxes, controlling spending and eliminating red tape are working and allowing companies to expand and prosper like never before. Nearly all taxes in New York State have been cut, with substantial reductions achieved in business, estate, sales, property and personal income taxes. New York State now has one of the lowest corporate income tax rates in the Northeast and unlike many of our regional neighbors, which tax both real property and personal property, property taxes in New York State are imposed on *real property only*. In addition to lower taxes, New York offers a variety of incentives to companies expanding or relocating in the Empire State, which take the form of tax credits, deductions, or allocation formula changes that can reduce a company's overall effective tax burden to as low as the statutory minimum tax of 2.5%.

Franchise Tax Requirements

Under New York Tax Law, a corporation must file franchise tax reports and pay franchise taxes annually even if the corporation does not conduct any business or loses money. Franchise tax requirements apply from the date the corporate existence begins, which is the date of filing by the Department of State unless a later date is stated in the certificate of incorporation. Tax responsibilities continue until the corporation is legally dissolved by the Secretary of State. If a corporation wishes to obtain "Sub-Chapter S" status, an election under state law (which is separate from the Federal election) must be submitted to the New York State Tax Department for approval. A corporation, depending on its business, almost many be liable for sales taxes, withholding taxes and various miscellaneous business taxes. Failure to comply with New York State Tax Laws can result in substantial penalties being assessed against the corporation and the filing of tax liens against the corporation's assets. All tax-related forms are available online at: <http://www.tax.state.ny.us/Forms/default.htm>

Rates

New York State's maximum corporate franchise (income) tax rate for most corporate taxpayers is 7.1%; for qualified New York manufacturers the corporate franchise tax is 6.5%.

Corporations pay the highest tax computed on the following four alternative bases:

- a tax of 7.1% (6.5% for qualified NYS manufacturers) on allocated entire net income.
- a tax of 0.15% on allocated business and investment capital (maximum for qualified NYS manufacturers: \$350,000; maximum for non-manufacturers: \$10 million for tax years beginning on/after January 1, 2008 but before January 1, 2011; \$1 million for tax years beginning on/after January 1, 2011);
- a tax of 1.5% on allocated minimum taxable income; and
- a separate minimum tax at fixed dollar amounts, based on New York receipts, ranging from \$25 to \$5,000, as follows:

If New York receipts are:	The fixed dollar minimum tax is:
Not more than \$100,000	\$25
More than \$100,000, but not over \$250,000	\$75
More than \$250,000, but not over \$500,000	\$175
More than \$500,000, but not over \$1,000,000	\$500
More than \$1,000,000, but not over \$5,000,000	\$1,500
More than \$5,000,000, but not over \$25,000,000	\$3,500
Over \$25,000,000	\$5,000

An additional tax of 0.09% applies to a corporation's allocated subsidiary capital.

A surcharge rate of 17% also applies to a taxpayer's post-credit tax liability allocable to the 12-county Metropolitan Commuter Transportation District (MCTD). This includes the City of New York, Long Island, and the mid-to-lower Hudson River Valley.

NYS Authority to Collect Sales Tax

New York State is a state that has a sales tax, and various cities within the state (such as New York City) have added to the tax to bring it up to a combined level of 8.25% for many items. It is the duty in NYS/NYC for the merchant making the sale to collect the tax and pay it over to the NYS Department of Taxation and Finance every 3 months. A company must have the "authority" from NYS to collect the tax. The authority is obtained through applications to NYS found at: http://www.tax.state.ny.us/pdf/2000/st/df17_800.pdf

- New York State imposes a sales/use tax at the rate of 4%.
- Counties and cities may impose a sales tax up to a combined maximum of 3% within their respective territorial limits for a combined rate of 7%. Twenty-four counties and several cities have been authorized to impose tax at additional rates in excess of the 3% from 0.25% to 1.25%.
- Manufacturing Exemptions - Manufacturing machinery and equipment, and fuels and utilities used or consumed in the manufacturing process are exempt from sales/use tax
- Empire Zones- Sales/Use Tax Exemptions - Purchases of building materials that will become and integral part of non-retail commercial or industrial property located in an Empire Zone are exempt from the State sales/use tax (i.e., eligible for refund of sales taxes paid and, if authorized by local law, may also be exempt from local sales/use tax.
- Industrial Development Agencies (IDAs) – Sales tax does not apply to purchases of materials incorporated into building owned by an industrial development agency. Companies that receive IDA funding may also claim exemption to certain other purchases made as agents of IDAs.

Employer's Tax Identification Number

The Federal Government requires that each business entity apply for and obtain an Employer's Identification Number (EIN). This is obtained from the Internal Revenue Service in Washington (IRS). Businesses can now apply online at: <http://www.irs.gov/businesses/small/article/0,,id=102767,00.html>

Personal Income Tax

New York State's 2004 maximum personal income tax rate of 6.85% applies to taxable incomes over \$40,000 (for joint returns); the bottom bracket of 4% applies to taxable incomes up to \$ 16,000. New York City and the City of Yonkers (Westchester County) both levy a local personal income tax, which is in addition to the State personal income tax.

Personal Property Tax

Property taxes in New York are imposed on real property only. Personal property, whether tangible or intangible, is exempt from ad valorem taxation for both State and local purposes.

Real Property Tax

New York State does not levy real property tax; however property taxes are levied by local governments. The counties, which are the principal taxing local units, operate under the town system, so that much of the actual administration and collection of taxes is accomplished at the municipal level.

- Counties, cities, towns, villages and schools and special districts all have independent powers of taxation. Rates vary according to location.
- Real property Tax Exemption – Commercial and industrial facilities, constructed or reconstructed outside of New York City at a cost of more than \$10,000, may be eligible for a ten-year partial exemption from the real property tax levied by counties, cities, towns villages and/or school districts. The maximum exemption amounts to 50% of any increase in value in the first year following completion and declines by five percentage points for the succeeding nine years.
- Pollution-control facilities are exempt from local real property taxes and ad valorem levies (upon application by the taxpayer to the local taxing authorities) to the extent of any increase in value resulting from the construction or reconstruction of such facilities to comply with New York State environmental conservation and/or health laws, codes and regulations.
- Empire Zone – Real Property Tax Exemption – Business or homeowners construction, reconstruction, or improving real property located within an Empire Zone may be eligible for a partial exemption from real property taxes for up to 10 years. The exemption begins as a total exemption of the improvement to real property taxes for up to 10 years. The exemption begins as a total exemption of the improvement to real property for up to 7 years, and is reduced by 25% per year for the next three years.

Unemployment Insurance

The unemployment insurance tax rate for a new employer in New York State is 4.1% and is imposed upon the first \$8,500 of taxable wages paid by the employer to each employee during the calendar year. New York's rates for employers range from 1.5% to 9.9% and are applied to the same \$ 8,500 wage base. In 1998, the New York State legislature passed comprehensive legislation to reform the unemployment insurance system in New York State. Under the landmark legislation, New York employers benefit from reduced costs attributable to more equitable and balanced rate tables and a streamlined administration system.

Note: The areas of assistance are described in summary form for information only. Any specific offer of assistance will be made after discussions with New York State Economic Development Staff.