



EMPLOYEE TRAINING INCENTIVE PROGRAM

General information about the Employee Training Incentive Program is provided in this Fact Sheet. For more information, eligible applicants should visit <http://esd.ny.gov/BusinessPrograms/ETIP.html>, which includes contact information for the appropriate [ESD regional office](#) covering the project area.

Overview

The Employee Training Incentive Program provides refundable tax credits to New York State employers for procuring skills training that upgrades, retrains or improves the productivity of their employees. Businesses can also receive tax credits for approved internship programs that provide training in advanced technology. The ETIP will make \$5 million in tax credits available to businesses annually, with up to \$1 million in credits available for approved internship programs.

Tax Credits

Tax credits may be awarded for costs associated with an eligible training program for current and new employees, or for internship programs for current students, recent graduates and recent members of the armed forces. Tax credits may be issued only after approved training is completed.

Employee Training Incentive Program: a credit of 50% of eligible training costs, up to \$10,000 per employee receiving eligible training.

Internship Program: a credit of 50% of the stipend paid to an intern, up to \$3,000 per intern.

Program Eligibility

A business entity must submit an initial application for approval prior to procuring eligible training or retaining interns. Applicants must demonstrate that the training provider has suitable experience and expertise specific to the training for which assistance is being sought.

Employee Skills Training

The business entity must create at least 10 net new jobs or make a capital investment of at least \$1 million in connection with the training. The business entity must demonstrate that it is operating predominantly in a strategic industry based upon the following criteria:

- potential to create jobs in an economically distressed area;
- shortages of workers trained to work in that industry;
- ability and need to relocate to another state to find qualified workers;

- potential to recruit minorities and women to be trained to work in an industry where they are traditionally underrepresented;
- recent technological advances have created disruption in the industry and significant capital investment is needed to remain competitive.

Internship Program

An eligible internship program must provide training in advanced technology. Advanced technology means the research, development, and manufacturing of goods and their applications in the areas of advanced materials and processing technologies, integrated electronics, optics, biotechnology, information and communication technologies, automation and robotics, electronics packaging, imaging technology, remanufacturing, and other such areas as the Commissioner shall determine.

Internship training can be provided by the business or by an approved provider. Training can be provided to interns who have not previously participated in an eligible internship program, and who are not current or former employees of the business. The business entity must have less than 100 employees and interns cannot comprise more than 50% of the workforce, or displace regular employees. Participation in the internship program cannot last longer than 12 months.

Ineligible Activities/Industries

Training designed to train or upgrade skills as required by a federal or state entity, training that may result in the awarding of a license or certificate required by law in order to perform a job function, and culturally focused training are not eligible for tax credits under the Program.

The following types of businesses are also prohibited from participating in the program.

- accounting firms
- businesses engaged in the generation or distribution of electricity, the distribution of natural gas, or the production of steam associated with the generation of electricity
- businesses providing business administrative or support services
- businesses providing personal services
- businesses providing utilities
- finance and financial services
- hospitality
- law firms
- medical or dental practices
- real estate brokers
- real estate management companies
- restaurants
- retail and wholesale businesses

Application Process

Applicants must complete a consolidated funding application (CFA) that will be submitted to the local ESD regional office. The CFA can be accessed at <https://apps.cio.ny.gov/apps/cfa/index.cfm>. Enrollment will remain open and applications will be accepted on a rolling basis up to the total program allocation.