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New Jersey Business Incentives

New Jersey recently enacted legislation that provides businesses additional incentives to remain in New Jersey. The legislation introduced two incentives to reward New Jersey businesses for creating new jobs and making capital investments.

New Jobs Creation Grants

- Eligible businesses will be awarded a grant of \$3,000 for each qualifying position created in New Jersey after December 1, 2008 and prior to January 1, 2011.
- Eligible businesses must have operated in the State of New Jersey for two years prior to the filing for the grant and must employ at least five full-time employees.
- Qualifying jobs are full-time positions which are created and retained for a minimum of one year.
- Businesses must apply to the New Jersey Economic Development Authority to receive the grants.

Capital Investment Grants

- Grants of 7 percent of the capital investments will be awarded for capital expenditures made in New Jersey made after December 9, 2008 and prior to January 1, 2011.
- Eligible businesses must have operated in the State of New Jersey

for two years prior to the filing for the grant and must employ at least five full-time employees.

- Qualified capital investments are expenditures of at least \$5,000 for the construction, renovation or improvement of a building, structure, facility or a improvement to real property or the installing of fixtures, machinery, apparatus or equipment in a building, structure or facility.
- Furniture, decorative items and most office equipment do not qualify as capital investments.
- Maximum amounts of grants awarded under this program are \$1,000,000 per applicant.
- Businesses must apply to the New Jersey Economic Development Authority to receive the grants.

The above represents a summary of the new rules and does not address all of the details contained in the new legislation. For clarification or more information on these and other tax matters, contact your W&G tax advisor at 732-846-3000.

Any U.S. tax advice contained in this communication is not intended or written to be used, and cannot be used, for the purpose of avoiding tax penalties that may be imposed on the taxpayer.