



Tax Incentives

Quickfacts

- Projects applying for more than \$100,000 in benefits require a Public Hearing.
- Applications are public documents.
- Applications are voted on by the ECIDA Board of Directors.
- Projects are subject to compliance monitoring and ECIDA policies.
- Noncompliance can cause incentives to be rescinded, or “recaptured.”
- “Adaptive reuse” projects involving the rehabilitation of abandoned structures in urban core communities may qualify for tax incentives.

To begin the application process, call (716) 856-6525 and speak with a Business Development Officer.

Q: What is a Tax Incentive?

A: A tax incentive is a temporary discount, or one-time elimination of a designated tax, designed to encourage private investment. A tax incentive is not a grant, and is not taken from an existing pool of public funds. Tax incentives, or abatements, can only be realized if a business makes an investment, such as constructing a new facility, purchasing construction equipment, or making improvements on an existing structure that increase the structure’s assessment value.

Q: Who has the authority to approve tax incentives?

A: The ECIDA has been authorized by New York State legislation to approve and administer tax incentives to qualified businesses located in Erie County.

Q: What types of tax incentives does the ECIDA offer?

A: Property Tax Abatement:

Temporary savings on future real estate property tax, through a payment in lieu of taxes (PILOT) schedule on County, Municipal, and School taxes. These savings are based on expected increased assessed values of a property upon completion of the project. [See table on page 2]

Sales Tax Exemption:

Limited sales tax savings (8.75%) on the purchase of non-production equipment and/or construction materials.

Mortgage Recording Fee:

Limited savings on .75% of the one-time 1% mortgage recording fee collected by Erie County when a mortgage is filed.

Q: Is my project eligible for a tax incentive?

A: To determine if your Erie County project or business meets eligibility requirements, please call (716) 856-6525 to speak with an experienced member of our Business Development team.



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Q. What fees are charged to businesses for tax incentives?

A. Agency fees include a non-refundable Application & Publication Fee of \$1,000 due upon submission of the online application. The Agency Administrative Fee is 1.25% of the benefited project amount (for sales tax only projects, 1% of the benefited project amount).

Additionally, incentive agreements incur **attorney fees**, which are as follows:

Project Investment Amount Subject to Benefits	Attorney Fees
Sales Tax Only (less than or equal to \$500,000)	\$2,000
Less than \$750,000 (excluding sales tax only to \$500,000)	\$5,000
\$750,000 - \$1,500,000	\$9,000
\$1,500,001 - \$3,000,000	\$13,000
\$3,000,001 - \$5,000,000	\$17,000
\$5,000,001 - \$10,000,000	\$20,000
Greater than \$10,000,000	\$28,000
Disbursement Fee	up to \$1,000

Q. What is the PILOT term?

A. Your expansion project may qualify for a five-year, seven-year, or ten-year PILOT. Contact the ECIDA with the specifics of your project to determine the PILOT term.

Under a PILOT agreement, the amount of future property tax you would pay on the increased value of your property during the PILOT term is as follows :

Year	5-year Term % of full property tax	7-year Term % of full property tax	10-year Term % full property tax	
1	25%	5%	5%	
2	35%	10%	10%	
3	45%	15%	15%	
4	55%	20%	15%	
5	75%	25%	20%	
6	100% full property tax	30%	20%	
7		35%	25%	
8		100% full property tax	25%	25%
9			30%	30%
10			35%	35%
11	100% full property tax		100% full property tax	