

# PPE Manufacturing Tax Credit Program Listening Session

*June 9, 2021*



# Agenda

---

1. Introduction (5-10 min.)
2. Program Overview and Proposed Draft Rules (10-15 min.)
3. Public Feedback and Q&A (30-35 min.)



To access the actual draft rules and related definitions document, please visit [www.njeda.com/Program-specific-feedback](http://www.njeda.com/Program-specific-feedback)

# About the NJ Economic Recovery Act

---

Governor Phil Murphy signed the New Jersey Economic Recovery Act of 2020 (ERA) into law on January 7, 2021.

---

The ERA creates a package of tax incentive, financing, and grant programs that will build a stronger, fairer New Jersey economy.

---

ERA is both a broad-based recovery bill and reform bill that will better position New Jersey to recover from the economic crisis caused by the COVID-19 pandemic, while remaining true to the NJEDA's commitments to transparency and accountability.

---

Visit the NJEDA's website at [www.njeda.com/economicrecoveryact](http://www.njeda.com/economicrecoveryact) to learn more about each of the programs within the ERA, or to provide general ERA feedback.

# Opportunities for Engagement

The NJEDA is committed to transparency, equity, and faithful stewardship of taxpayer dollars, and welcomes constructive input from all New Jerseyans as we work through the process of implementing the programs under ERA.

The NJEDA will be providing multiple opportunities for public input. Today's session is one way that NJEDA is collecting informal program-specific feedback.

## GENERAL ERA PROGRAM FEEDBACK

Provide general suggestions on one or more ERA programs prior to NJEDA releasing program-specific information.

You can use this website to provide thoughts on the ERA legislation and how NJEDA should implement the ERA programs.

## INFORMAL PROGRAM-SPECIFIC FEEDBACK

Provide specific feedback on draft program regulations, before they are approved by NJEDA's Board.

NJEDA will post additional draft ERA program regulations on this website for public input as they are developed.

## FORMAL REGULATORY FEEDBACK

Provide formal public feedback on the proposed regulations approved by our Board.

All ERA programs will have a formal APA 60-day public comment period once proposed rules are published.

# Executive Order No. 63

---

Pursuant to Governor Murphy's EO 63, the NJEDA is providing opportunities for the public to engage with the NJEDA in crafting rules around the PMTC Program.

---

We welcome constructive input on how to ensure new programs created through the Economic Recovery Act are structured and administered in a manner that drives opportunities for all residents and communities.

---

NJEDA will begin the session with a presentation to summarize the draft rules. Members of the public will be able to provide feedback following the NJEDA's presentation.

---

Members of the public can provide feedback online or listen to a recording of this session at [www.njeda.com/Program-specific-feedback](http://www.njeda.com/Program-specific-feedback).

# What is the “PMTTC” Program?

The PPE Manufacturing Tax Credit (PMTTC) provides tax credits to qualified PPE manufacturing projects based on the number of new and retained jobs the project creates.



## ELIGIBILITY

- Based on facility location, minimum jobs, and minimum capital investment
- Oriented towards smaller businesses



## TAX CREDITS

- Based on a per-job calculation
- “Base” credits calculated on new jobs
- Additional credits calculated using all jobs

**INCLUDES A WIDE  
RANGE OF PPE  
(FACE MASKS, FACE SHIELDS,  
GLOVES, GOWNS AND MORE)**

**AVAILABLE FOR CAPITAL INVESTMENTS  
MADE IN 2020, 2021, AND 2022  
(INVESTMENT MUST BE MADE BY DECEMBER 31<sup>ST</sup>, 2022)**

# Key Features of the PMTC Program

---

- ▶ **Program capped at \$10 million per year** over 3 years
- ▶ Amount of tax credits also **capped at \$500,000** per tax payer
- ▶ Credits count as payments in the **application year**
- ▶ Unused credits are **refundable**
- ▶ Applications may be submitted only **after capital investment** process is completed
- ▶ Jobs may be counted from start of capital investment to **12 months after** completion
  - If a project plans to ramp up hiring after starting production, it may make sense to wait to apply
- ▶ Eligibility criteria vary by county

# Program Attributes We Will Discuss Today

## Eligibility

- Qualified Facility
- **AND**
- Minimum capital investment requirements
- Minimum new or retained jobs requirements

## Tax Credits

- Base Tax Credits
- Additional Tax Credits



# Qualified Facility

---

## **MUST MEET AT LEAST ONE OF THE FOLLOWING CRITERIA:**

- ▶ Located in a **Smart Growth Zone** or a **designated rehabilitation or redevelopment area**
  - Contact [ppemanufacturingtaxcredit@njeda.com](mailto:ppemanufacturingtaxcredit@njeda.com) to receive links to determine if your facility is located in one of these areas
- ▶ Located in a **large, long-vacant** facility
  - >250,000 SF and vacant 7 years or more
- ▶ Home to an approved **research collaboration program**
  - In conjunction with a NJ college or university
- ▶ Home to an approved **apprenticeship** or **pre-apprenticeship** program
  - In conjunction with a NJ county college or vocational technical school

# Minimum Capital Investment Requirements

PROJECT UTILIZING	MINIMUM INVESTMENT	
	Southern Counties	All Other Counties
<b>An existing facility</b> (investments include renovation, improvements, equipment, outfitting):	\$10 /sq ft of gross leasable area	\$20 /sq ft of gross leasable area
<b>A new facility</b> (investments include construction, equipment, outfitting):	\$100 /sq ft of gross leasable area	\$120 /sq ft of gross leasable area

**Investment requirements are lower in seven Southern Counties:**

Atlantic, Burlington, Cape May, Cumberland, Gloucester, Ocean, Salem

# Minimum New or Retained Jobs Requirements

Southern Counties	All Other Counties
5 new jobs or 15 retained jobs	10 new jobs or 25 retained jobs

- ▶ Projects must meet the minimum threshold for new **or** retained jobs.
- ▶ Projects that do not meet at least one threshold **are not** eligible, regardless of the total number of new *and* retained jobs.

# Program Attributes We Will Discuss Today

## Eligibility

- Qualified Facility
- AND*
- Minimum new or retained jobs requirements
- Minimum capital investment requirements

## Tax Credits

- Base Tax Credits
- Additional Tax Credits

# Base Tax Credits

---

## \$10,000 per applicable job:

- Qualifying **new** hire
  - At least 35 hours/week with 80 percent of time spent at qualified business facility
  - Pays at least \$15/hour and provides health insurance
- Involved in the manufacture of PPE
  - At least 50 percent of employee's time dedicated to PPE
- In a Qualified Facility
- During the taxable year/privilege period
  - From start of capital investment to 12 months after its completion

**Business must commit  
to maintaining jobs for  
at least five years\***

\*Subject to proportional recapture of tax credits

# Additional Tax Credits

BASIS FOR CREDIT	AMOUNT OF CREDIT
Jobs created in a facility of <b>more than 250,000 SF</b> that has been <b>vacant for seven years or more</b>	<b>\$1,000 per job</b>
Jobs created in a facility involved in a <b>research collaboration</b> with a NJ college or university	<b>\$1,500 per job</b>
Jobs created in a facility that has an <b>apprenticeship or pre-apprenticeship</b> with a NJ technical or county college	<b>\$1,000 per job</b>

## Based on ALL (new or retained) jobs within the Qualified Facility:

- As of the date of application
- Working on PPE manufacturing or not

## Additional tax credits stack

# Public Feedback Process

---

- ▶ **Feedback may be submitted verbally by using the “raise hand” function in Zoom, or in writing through the Q&A feature.** Input will not be accepted verbally until the NJEDA has concluded its presentation.
- ▶ **Each member of the public who wishes to speak during the public feedback period should use the “raise hand” function in Zoom.** The host will acknowledge each speaker in the order in which they raised their hand, and will open the speaker’s microphone to make their statement.
- ▶ To ensure everyone that chooses to has an opportunity to speak, **each speaker will have a maximum of three (3) minutes to speak and should limit input to matters pertaining to the Economic Recovery Act of 2020, the PMTC program, or the draft rules.**
- ▶ **Each member of the public will have one opportunity to provide remarks.** If time remains at the end of the session, we will reopen the opportunity for additional remarks.
- ▶ **Each member of the public should use the opportunity to provide information and comments to the NJEDA, to ask questions or to seek further clarity.** The NJEDA staff will consider all comments or feedback at a later time. Staff will not evaluate the merits of any idea with members of the public during the listening session.
- ▶ **Speakers and members of the public should at all times maintain proper decorum and shall provide their remarks in a civil manner.**

# Recording of Public Feedback Sessions

**Members of the public can submit written feedback on the PMTC Program via [www.njeda.com/program-specific-feedback](http://www.njeda.com/program-specific-feedback)**

This public feedback sessions will be recorded and posted on [www.njeda.com/program-specific-feedback](http://www.njeda.com/program-specific-feedback)

Members of the public unable to participate in the virtual session will have the opportunity to review and comment.





Visit [NJEDA.com/EconomicRecoveryAct](https://NJEDA.com/EconomicRecoveryAct) for more information.



@NewJerseyEDA | [njeda.com](https://njeda.com) | 609.858.6767

**NJEDA**