



State of New Jersey

NEW JERSEY COMMERCE COMMISSION
20 WEST STATE STREET
PO Box 820
TRENTON, NEW JERSEY 08625-0820

JON S. CORZINE
Governor

KEVIN J. DRENNAN
Executive Director

NEWS

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Contact: Pamela McClure – 609.292.2523

NEW JERSEY COMMERCE COMMISSION APPROVES URBAN TRANSIT HUB REGULATIONS

Trenton, NJ (March 20, 2008) Helping to further advance a key priority of Governor Corzine’s Economic Growth Strategy to stimulate investment in the state’s urban centers, the Board of Directors of the New Jersey Commerce Commission recently approved the proposed regulations implementing the Urban Transit Hub Tax Credit Act.

This business attraction tool fosters development focusing on rail and pedestrian modes of transportation, rather than automobile travel, and was designed to promote “smart growth” and economic development around train stations.

The new tax credit program provides motivation for private capital investments in office and infrastructure to bring new jobs to “urban transit hubs,” areas located within one-half mile of a rail station in some of the state’s largest urban centers. Municipalities eligible to have designated urban transit hubs are Camden, East Orange, Elizabeth, Jersey City, Newark, New Brunswick, Paterson, Trenton and Hoboken.

Companies investing a minimum of \$75 million capital investment in a business facility in one of the designated urban transit hub municipalities may qualify for tax credits equal to 80 to 100 percent of the qualified capital investment. The pilot project offered allows capital projects that qualify within the eight-year period, 2008-2016, to qualify for credits if a company employs 250 full-time workers at that facility. Tax credits may be applied against corporate business tax, insurance premium tax or gross income tax liability over a ten-year period.

Tenants in qualified business facilities may also receive tax credits, if they occupy space in a qualified business facility that represents at least \$25 million of the capital investment in the facility and employ 250 full-time employees at that facility.

In addition, businesses may be exempt from paying sales tax on furniture, fixtures and equipment, if the building is located within an Urban Enterprise Zone.

“The Urban Transit Hub Tax Credit provides a powerful tool to encourage the revitalization of New Jersey’s urban centers and spurs capital investment, which will convert these areas into more vibrant communities,” said Kevin Drennan, Executive Director of the New Jersey Commerce Commission. “This aggressive program builds on the State’s strategy for smart, sustainable growth.”

The proposed regulations will be published for public comment in the May 5th issue of the New Jersey Register.

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