



MEMORANDUM IN SUPPORT

S.6819 (Farley) / A.9349 (Santabarbara)

AN ACT relating to a certain agreement for a payment in lieu of taxes

The Capital Region Chamber, representing 2,800 businesses and organizations from throughout the Capital Region that employ more than 150,000 area residents, supports S.6819/A.9349 which would provide for the intended eligibility for real property tax credit for payments in lieu of taxes made by a Qualified Empire Zone Enterprise for property located at 560 Broadway, Schenectady, New York.

The Chamber agrees with the bill sponsors' proposition that Qualified Empire Zone Enterprises (QEZE) are vital businesses within our communities that encourage job growth and foster economic development. As the sponsors correctly point out, a policy shift within the New York State Department of Taxation & Finance resulted in the denial of credit for lessee payments as a result of the lessee not being a "party to" the PILOT agreement between the landlord and the tax jurisdiction. Consequently, the lessees have been audited by the state during the relevant time period and are now being assessed for credits awarded in prior years. The Chamber believes that this result runs counter to the original intent of the law.

The Chamber strongly encourages the state to pursue policies that make the Capital Region more competitive and lead to job creation. This legislation will correct the state's policy shift and provide the intended relief of the original law. If New York State is to be "Open for Business", its policies must continue to encourage not hinder business and job growth.

For these stated reasons, the Capital Region Chamber recommends the passage of this legislation.

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