

New Jersey Economic Development Authority

Corporate Tax Credit Auction Overview

WELCOME



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2025 Tax Credit Auctions

NJEDA will hold two tax credit auctions simultaneously in Q3 2025. Based on their needs and preferences, companies may choose to participate in either or both auctions.

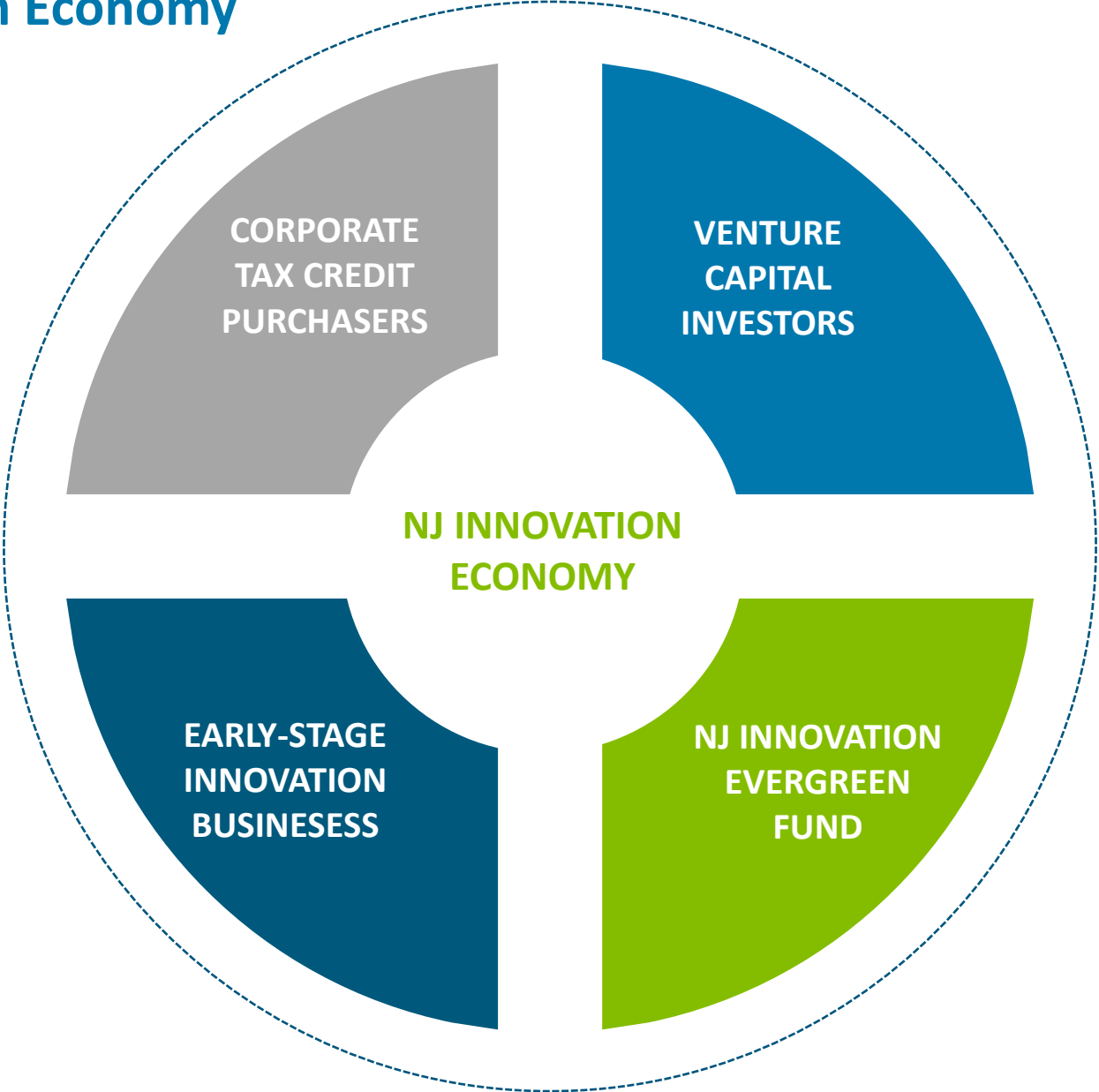
	Food Desert Relief	NJ Innovation Evergreen Fund
Use of proceeds	Grants, loans, or technical assistance to support NJ Food Desert Communities	Investments in NJ-based innovative high-growth businesses
Tax credit types	CBT & IPT	CBT & IPT
Minimum tax credit request	\$500,000	\$500,000
Minimum price	\$0.85	\$0.75
Additional requirements	No ongoing compliance beyond initial purchase required	Complete Strategic Commitment + serve on Advisory Board
Tax credits sold to date	\$15M in 2023; \$20M in 2024	\$50M in 2022
Website for more information	https://www.njeda.gov/food-desert-relief-tax-credit-auction/	https://www.njeda.gov/evergreen-corporate-tax-credit-auction/



New Jersey Innovation Evergreen Fund

Corporate Tax Credit Auction Overview

New Jersey Innovation Economy

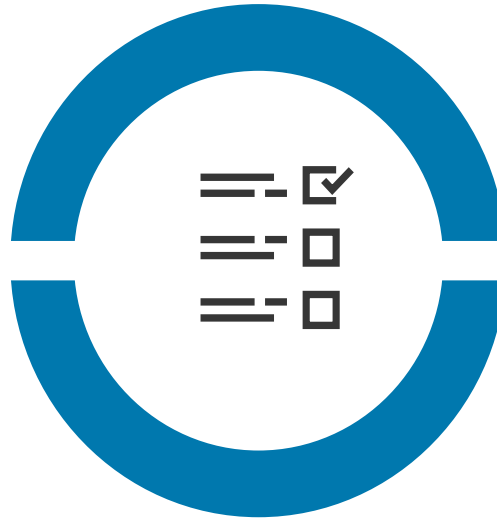


Key Features of the Evergreen Program



STEP 1 | RAISE \$300M TO CAPITALIZE THE NJIEF

- Public money, raised through annual tax credit auctions.
- Minimum bid price established of no less than 75%.
- Ecosystem engagement through strategic commitment and advisory board participation.



STEP 2 | QUALIFY VENTURE FUNDS

- Partner with institutional venture capital firms eligible to access NJIEF capital.
- Currently partnered with 24 Qualified Venture Firms managing over \$5.8B in AUM.



STEP 3 | QUALIFY INVESTMENTS

- Qualified Venture Firms can access up to \$25M per year in matching funds from Evergreen to co-invest into NJ-based companies.
- 9 Program investments approved representing \$15M of capital.

2025 NJ Innovation Evergreen Fund Tax Credit Auction Highlights

- **2025 Auction Amount:** \$50M of tax credits.
- **Timing:** Applications open on September 2nd and close on October 3rd.
- **Minimum bid price:** 75% of par value.
- **Applicable Tax Credit Types:** NJ Corporation Business Tax (CBT) and Insurance Premium Tax (IPT).
- **Eligibility:** Companies operating in NJ subject to CBT or IPT liability in the State.
- **Minimum amount of tax credits requested:** \$500,000
- **Carryforward:** Tax credits may be carried forward for up to 7 years.
- **Use of Proceeds:** Fund investments in NJ innovative high-growth businesses.
- **Additional Requirements:** Strategic commitment to support the State's innovation ecosystem and nominate representative to serve on Evergreen Fund's Advisory Board.
- **Scoring:** Bids scored based on financial bid price and strategic commitment score.
- **Oversubscription Process:** Best and final bids followed by proration of awards.

2022 Program Tax Credit Results

verizon✓


COMCAST


cross river®


Daiichi-Sankyo

TRAC
INTERMODAL

CGI

HALEON

Holman

Applicant Name	Total Score	Rank	Percent Awarded (Proration) *	Tax Credit Award	Purchase Price
Verizon Communications, Inc.	1.17	1	100%	\$20,000,000	\$17,000,000
Comcast Cable Communications LLC	1.13	2	83%	\$20,886,392	\$17,231,274
CRB Group, Inc. (DBA Cross River Bank)	1.12	3	79%	\$4,055,549	\$3,041,662
Daiichi Sankyo, Inc.	1.07	4	58%	\$790,122	\$632,098
Interpool, Inc. (DBA TRAC Intermodal)	1.02	5	37%	\$1,796,282	\$1,347,211
CGI Technologies and Solutions	0.98	6	20%	\$722,710	\$542,033
GSK Consumer Healthcare (DBA Haleon)	0.97	7	16%	\$526,748	\$395,061
Holman	0.97	7	16%	\$1,222,197	\$916,648
				\$50,000,000	\$41,105,986

Strategic Commitment Support for NJ's Innovation Ecosystem



\$750,000 in direct funding to support startup incubation through the Better Future Labs, executive mentorship hours to founders, office space for events and co-working offices, and more.



\$1,000,000 in grant funding to NJ innovation ecosystem organizations.



Launch an executive mentorship program for low-income and underrepresented startup founders.



P-TECH program, helping students in the New Brunswick Public School District to graduate with both a HS diploma and post-secondary STEM degree at no cost.



Hire four paid PhD fellows from NJ schools through fellowship program.



MBA consulting course on innovation topic at Rutgers's Business School.



Host innovation ecosystem event for automotive and mobility industries in NJ.



\$90,000 to three NJ innovation ecosystem organizations.

Transportation Solutions

A strategic commitment represents corporations' support to New Jersey's innovation ecosystem and accounts for a portion of bid scores. Commitments are open-ended to align with program tax credit purchasers' goals and resources.

Bid Scoring

Total bid scores will be calculated by adding the financial bid score and the strategic commitment score for each applicant. The relative rank of applicant scores will be used to determine priority for tax credit awards and potential proration percentages should the auction be oversubscribed.

Bid Example:

Purchase Offer: \$7,500,000

Amount of Tax Credits Requested: \$10,000,000

Strategic Commitment Financial Cost: \$400,000

Strategic Commitment In-kind Cost: \$100,000

Financial Bid Score	Strategic Commitment Score	Total Score
0.75	0.05	0.80

Proration Example

If the Auction is oversubscribed, bids are ranked in sequential order from the highest to the lowest total score. The allocation of credits available to each purchaser (above the minimum \$500,000) decreases in equal increments based on relative score of the purchaser. Higher ranked applicants received a greater proportion of their requested amount of tax credits, while the lower ranked applicants received a smaller award as percentage of the total requested.

Applicant Name		Order	% of Request Received*	Tax Credit Request	Minimum Bid	Final Prorated Amount*	Final Award
1.02	Company 1	1	100.00%	\$1,000,000	\$500,000	\$500,000	\$1,000,000
0.96	Company 2	2	91.02%	\$20,000,000	\$500,000	\$17,749,471	\$18,249,471
0.87	Company 3	3	77.56%	\$25,000,000	\$500,000	\$19,001,545	\$19,501,545
0.85	Company 4	4	74.56%	\$1,600,000	\$500,000	\$820,215	\$1,320,215
0.78	Company 5	5	64.09%	\$5,000,000	\$500,000	\$2,884,127	\$3,384,127
0.77	Company 6	6	62.60%	\$666,667	\$500,000	\$104,326	\$604,326
0.77	Company 7	6	62.60%	\$4,000,000	\$500,000	\$2,190,844	\$2,690,844
0.76	Company 8	8	61.10%	\$5,000,000	\$500,000	\$2,749,471	\$3,249,471
				\$62,266,667	\$4,000,000	\$46,000,000	\$50,000,000

*Percent of requested tax credits, above the \$500,000 Program minimum, awarded.

Example Corporate Auction Example Timeline

Non-binding indication of interest survey is open today:
<https://www.njeda.com/evergreen-survey/>

July 24th: 2025 Auction Formally Announced.

September 2nd: Online Application Open.

October 3rd: Online Application Closes, deposits initiated.

December 2025: NJEDA Board approves awards.

Q1: Bid contracts executed, full payments made.

Annually: Performance of strategic commitments & Advisory Board participation.



Visit www.njeda.com/evergreen for more information.



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NJEDA

Appendix

NJ Innovation Evergreen Fund – Qualified Investment Snapshot

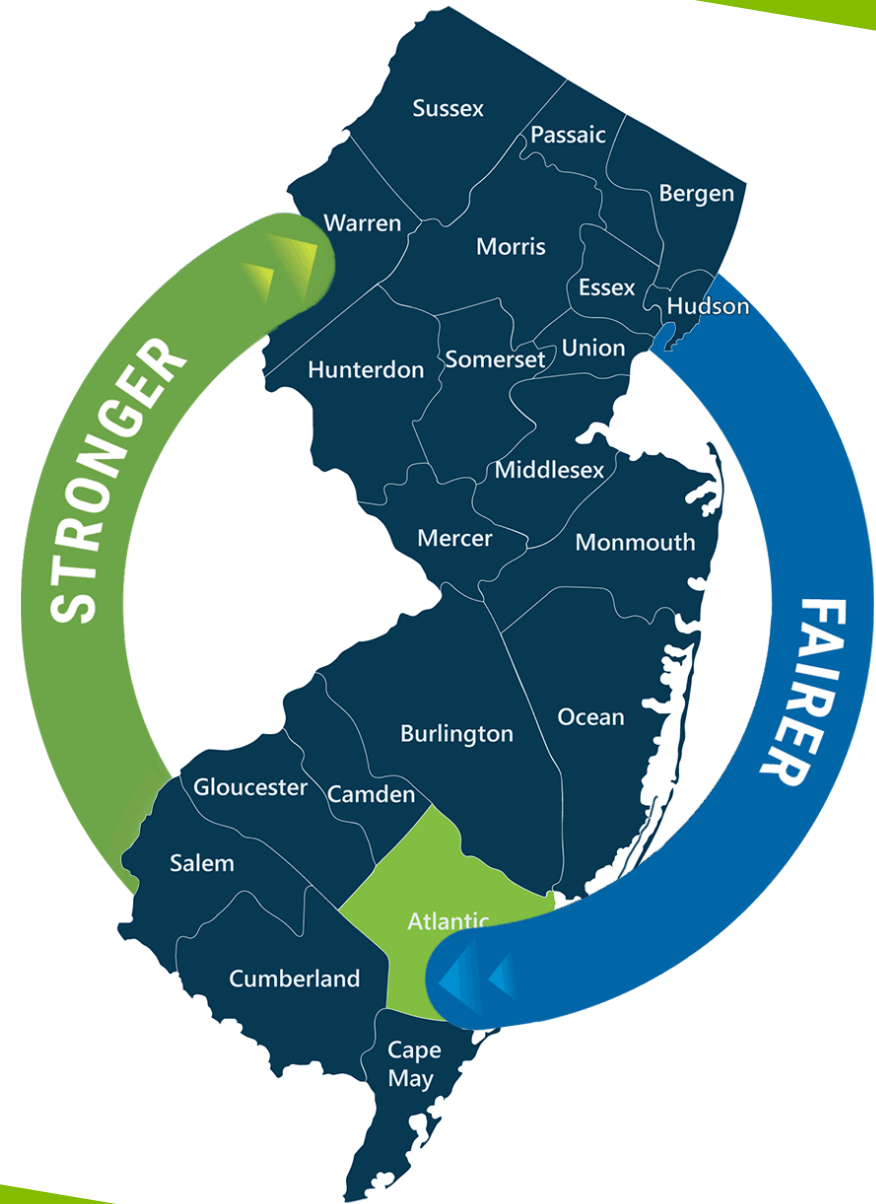
Company	Investment Amount	Co-investor	Industry	NJ Jobs	Stage	Private Sector Ratio*
1Huddle	\$1.5M	EMERGING Fund	Gamified employee training and talent identification.	8	Series A	1:1
The Many Co.	\$3M	Bullpen Capital	Helps retail brand customers join the circular economy.	12	Seed	2:1
RICOVR Healthcare	\$400K	Yaax Capital	Saliva testing medical device.	6	Series A	1:1
Nascent Materials	\$750K	SOSV	Cathode materials manufacturer.	3	Seed	3:1
Enquyst	\$3M	Eckuity Capital	Biologics drug manufacturing.	3	Seed	1:1
PolyGone Systems	\$1.25M	FyrFly	Microplastic Removal.	4	Seed	3:1
Hill Research	\$1.75M	Covenant VC	Generative AI for pharma customer clinical trials.	1	Seed	4:1
JOGO Health	\$3.2M	Atma Capital & Creative Ventures	EMG biofeedback for neuromuscular disorders.	17	Series A	2:1
Total	\$15M			54		2:1

*Ratio of private sector catalyzed into NJ-based business by NJEDA investment.

Growing platform of 21 Qualified Venture Firms



Food Desert Relief Tax Credit Auction



Food Desert Relief Tax Credit Auction

NJ corporations and insurance companies can bid for a **tax discount of up to 15%**

Can be applied to
**Corporation Business Tax
& Insurance Premiums Tax**

Tax credits can first be
used for the tax year in
which they are approved,
with **7-year carry-forward**

Minimum tax credit
request of **\$500,000**

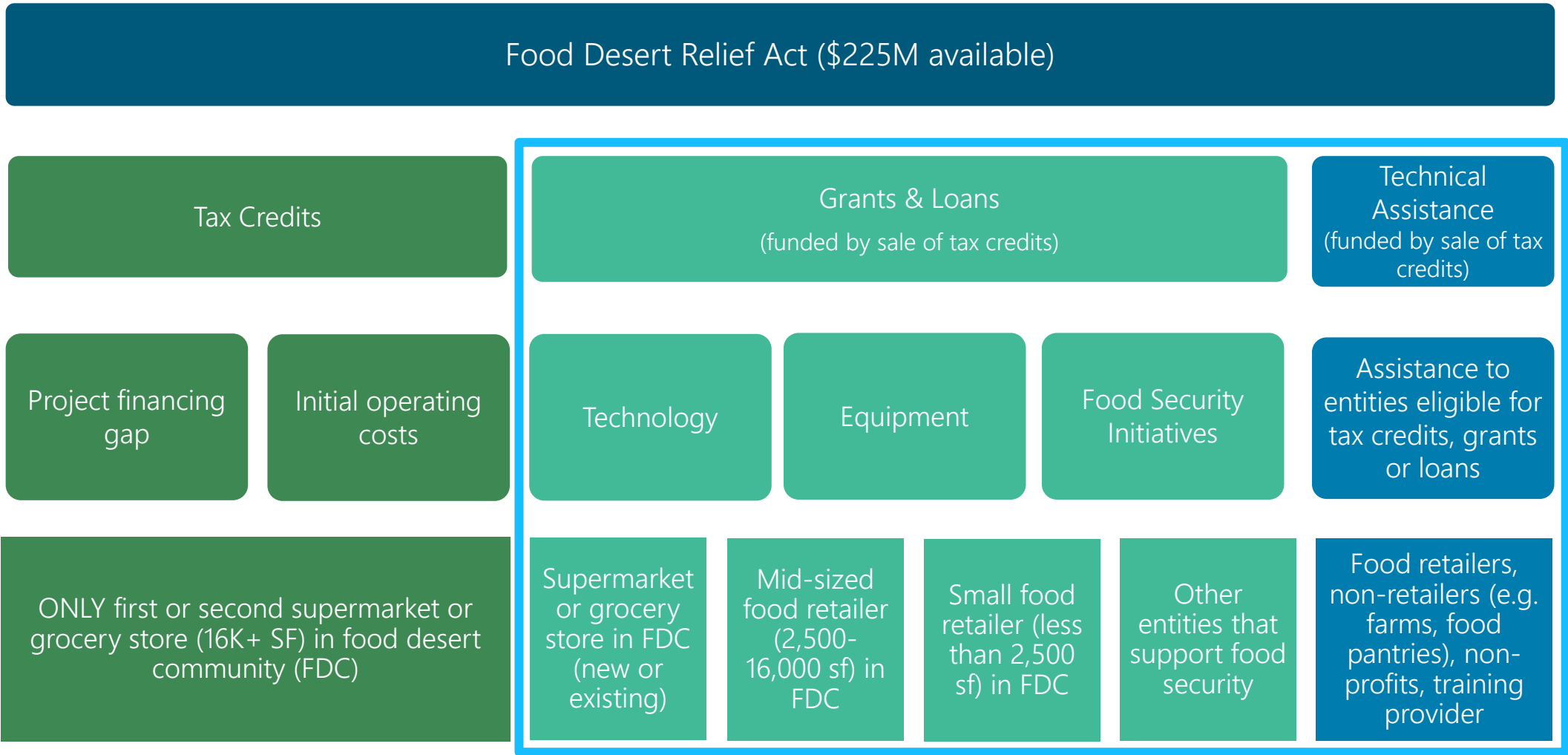
Minimum price of **\$0.85**
per dollar of credit

**No commitment or
compliance requirements**
after closing transaction



Proceeds from the auction will fund grant, loan, and technical assistance programs in designated **Food Desert Communities**, as specified by the Food Desert Relief Act

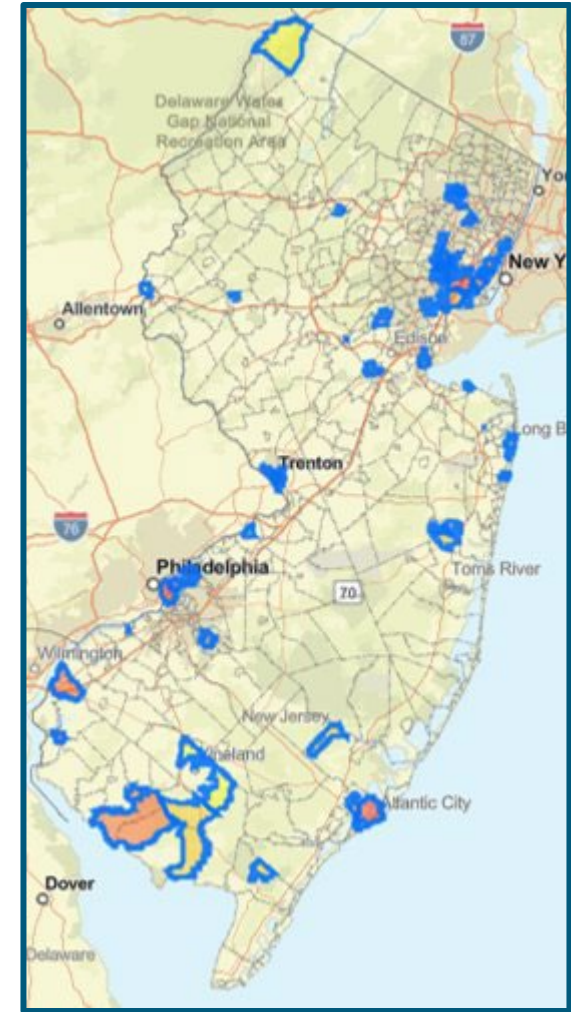
The Food Desert Relief Act creates new strategies for NJEDA to address food security



Learn more at <https://www.njeda.com/food-desert-relief-program>

Food Desert Communities

- ▶ The FDRA directed NJEDA to work with the Departments of Community Affairs and Agriculture to designate up to **50 Food Desert Communities (FDCs)** across the state
- ▶ Designations were informed by a combination of community input and rigorous, data-driven analysis
 - ▶ **20+ variables** considered spanning food retail environment, demographics, economic/health/community factors
- ▶ More than **1.5 million** NJ residents live in a FDC, which span **57 municipalities** and all **21 counties**



The interactive map of Food Desert Communities can be found at <https://www.njeda.gov/food-security-programs/>

FEED NJ

Food Equity and Economic Development in New Jersey (FEED NJ) is a \$30 million pilot program awarding grants between \$50,000 and \$500,000 for innovative projects that strengthen food access and food security in New Jersey's most acute FDCs.

*FEED NJ aims to catalyze **innovative, sustainable, and scalable** food security and food access initiatives with high potential to **maximize community-level impact**. Examples include, but are not limited to:*

Establishing or enhancing a mobile market, food pantry, or food co-op

Purchasing cold storage or other equipment

Technical assistance to help residents to use nutrition benefits

Increasing access to local produce (e.g. via a farmers' market, CSA, delivery)

Expanding free food provision services for residents in need

Accelerating existing planning + implementation efforts

And many, many more!

Tax Credit Purchase Eligibility Criteria

Bidders do NOT need to:



Be in the food industry



Be in a Food Desert Community



Make any ongoing commitments beyond the purchase transaction

Bidders need to:



Be NJ CBT or IPT filers



Be in good standing with NJ DOL, DEP, and Taxation



Request at least \$500,000 in tax credits



Bid at least \$0.85 per dollar of tax credits

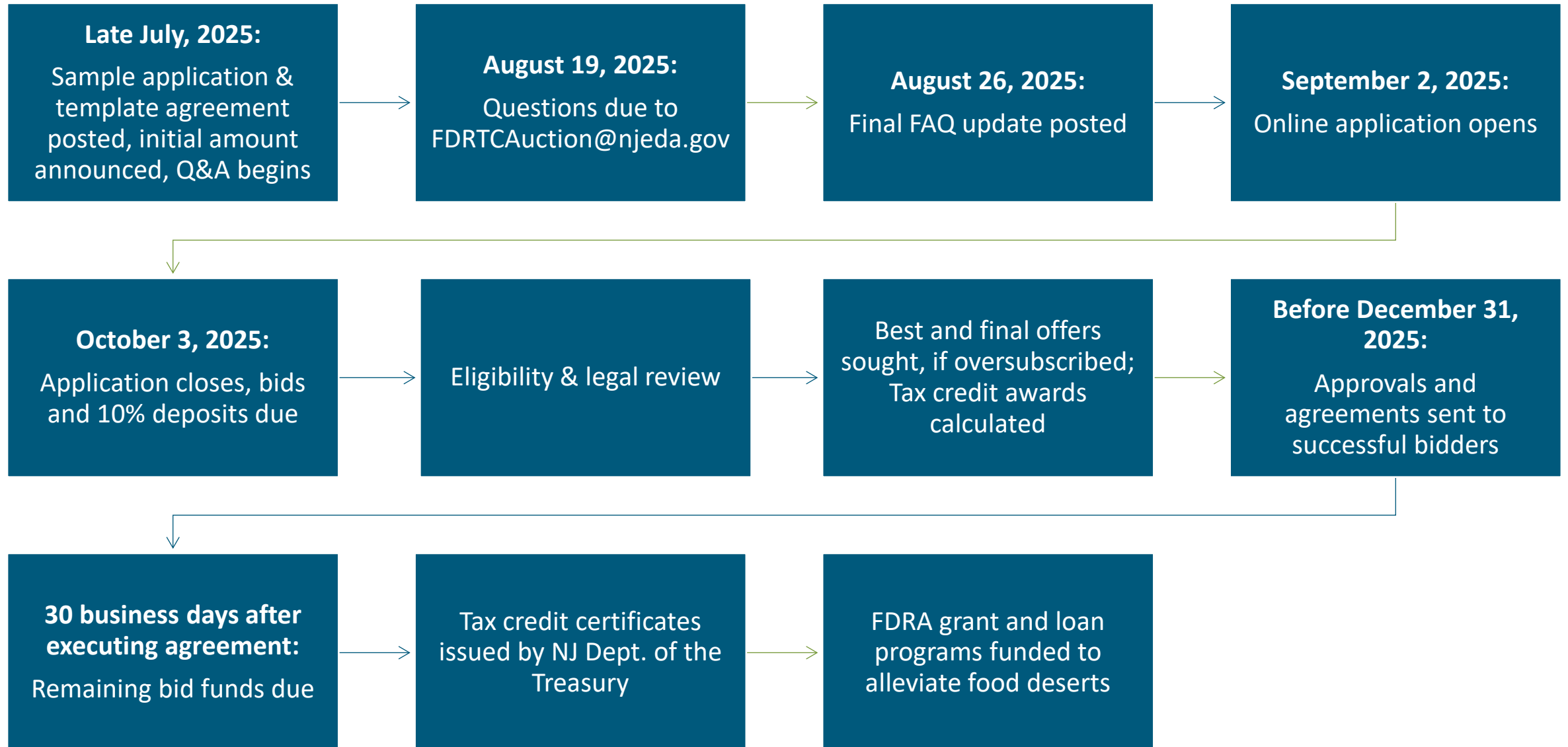


Pay a refundable deposit of 10% of total bid, up to \$500,000

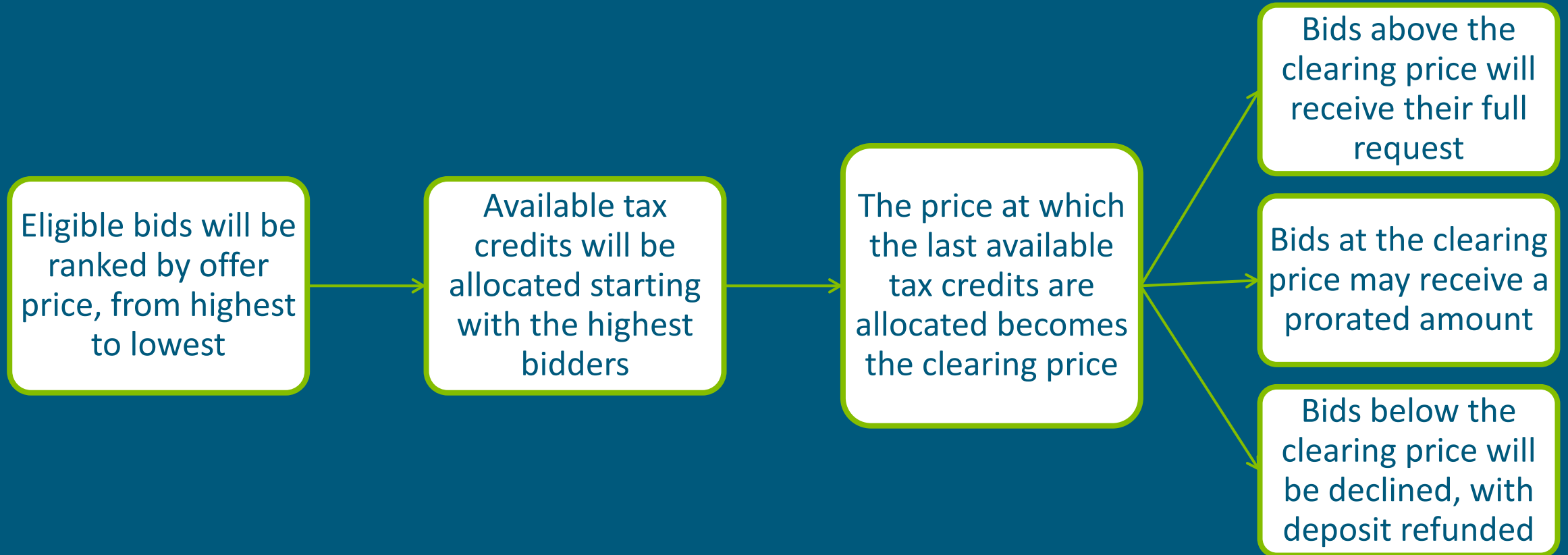


Undergo standard NJEDA legal review

Tax Credit Auction Timeline



Determining Tax Credit Award Amounts



Determining Tax Credit Award Amounts


Example: \$10 million available

	Bidder	Offer Price	Face Value	Total Purchase Offer	Tax Credits Awarded
Above clearing price	A	\$0.95	\$4,000,000	\$3,800,000	\$4,000,000
	B	\$0.93	\$3,000,000	\$2,790,000	\$3,000,000
	C	\$0.93	\$1,000,000	\$930,000	\$1,000,000
At clearing price	D	\$0.90	\$3,000,000	\$2,700,000	\$1,500,000
	E	\$0.90	\$1,000,000	\$900,000	\$500,000
Below clearing price	F	\$0.85	\$3,000,000	\$2,550,000	\$0
TOTAL			\$15,000,000	\$13,670,000	\$10,000,000

To learn more about the Food Desert Relief Tax Credit Auction:

 Visit <https://www.njeda.gov/food-desert-relief-tax-credit-auction/> for resources:

- Frequently Asked Questions
- Detailed overview of the auction process
- Application checklist
- Sample application
- Tax credit purchase agreement template

 Email FDRTCAuction@njeda.gov with questions

- **Questions must be submitted by August 19** at 5:00 PM
- FAQ will be updated on a rolling basis with answers to submitted questions
- Final FAQ update will be posted by August 26 at 5:00 PM



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