



NEXT NJ Program-AI (NEXTNJAI)

Frequently Asked Questions (FAQ)

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Frequently Asked Questions

The Next NJ Program-AI FAQ's is designed to assist individuals interested in the program by providing a clearer understanding of its structure and key details. This resource highlights essential information from the rules and application, helping to clarify terms that may be complex for those unfamiliar with legislative, administrative, and regulatory language. Please note that these FAQ's do not summarize all details within the statute or rules. It should not be relied upon for comprehensive answers—readers are responsible for reviewing the official program rules.

THIS FAQ DOES NOT SUMMARIZE ALL THE INFORMATION IN THE STATUTE OR RULES. READERS CANNOT RELY ON THIS FAQ FOR COMPREHENSIVE ANSWERS. READERS ARE RESPONSIBLE FOR REVIEWING THE PROGRAM RULES.

GENERAL

1. What is the Next New Jersey (AI) Program?

The Next New Jersey (AI) Program is a tax credit initiative established under P.L. 2024, c. 49, and administered by the NJEDA. It aims to attract investment in artificial intelligence and AI-related industries by offering substantial tax credits to eligible businesses.

2. Who is eligible to apply for this Program?

To be eligible, a business must:

- Undertake Capital investment of at least **\$100 million** at a **qualified business facility**;
- Create **at least 100 new eligible full-time jobs** in New Jersey;
 - Full-time position in a business in this State which a business has filled with a full-time employee who is paid no less than 120 percent of the median salary for the county in which the qualified business facility is located, and
 - for which the business offers employee health benefits under a group health plan as defined in N.J.S.A. 17B:27-54, a health benefits plan as defined in N.J.S.A. 17B:27A-17,
- A **group health plan** (N.J.S.A. 17B:27-54)
- A **health benefits plan** (N.J.S.A. 17B:27A-17)
- A **policy or contract of insurance** covering more than one person (N.J.S.A. 17B:27-27, et seq.)
- These benefits must be provided **no later than 90 days** from the employee's start date, either directly by the business or through a **collective bargaining agreement**.

- Be **primarily engaged in AI or large-scale AI data center industries** (over 50% of employees or revenue must be AI-related);
- **50 percent** of the **business's or the division's** employees, respectively, are engaged in AI-related activities or
- more than **50 percent** of the business's or the **division's revenue**, respectively, is generated from AI-related activities, or
- **both.**
- Enter into a **collaborative relationship** (e.g., with a NJ-based research university);
- Meet **environmental, sustainability, affirmative action, and prevailing wage** requirements;
- Be in **good standing** with the Departments of Labor, Environmental Protection, and Treasury.

3. What types of AI activities qualify?

The Program supports businesses involved in, but not limited to:

- Large-scale AI data centers
- Visual perception
- Speech recognition
- Decision-making
- Translation between languages
- Generative AI and related development

4. What are considered AI-related activities?

AI-related activities include (but are not limited to):

- Machine learning, computer vision, and natural language processing development;
 - Creation of AI-powered tools or services (e.g., chatbots, autonomous vehicles);
 - Medical AI modeling and diagnostics;
 - Management of data used to train AI models.
-

5. What documents are required in the application?

Applications must include:

- Business and affiliate information;
- Documentation of AI engagement or revenue;
- Capital investment and job creation plans;
- Proof of collaboration (e.g., letter of intent);
- Certifications regarding standing with regulatory agencies;
- Tax clearance certificates;
- Disclosure of other subsidies received;
- Other documentation as required by the Authority.

ELIGIBLE POSITIONS

6. What qualifies as an “eligible position” or “full-time job” under the program?

An eligible position (or full-time job) must meet the following criteria:

- **Located in New Jersey**
- **Filled by a full-time employee**, not a contractor or consultant
- **Pays at least 120% of the median salary** for the county where the qualified business facility is located
- **Provides employee health benefits** under an approved plan
- **Employee must work at least 80% of their time in New Jersey**

7. How is the “median salary” determined for eligibility?

The salary threshold is based on **120% of the county median wage**:

- If the facility is in a **single county**, that county's median wage is used
- If the facility spans **multiple counties**, the highest median wage among those counties is used

8. What health benefits must be provided for the position to qualify?

Eligible positions must include **employee health benefits** under one of the following:

- A **group health plan** (N.J.S.A. 17B:27-54)
- A **health benefits plan** (N.J.S.A. 17B:27A-17)
- A **policy or contract of insurance** covering more than one person (N.J.S.A. 17B:27-27, et seq.)

These benefits must be provided **no later than 90 days** from the employee's start date, either directly by the business or through a **collective bargaining agreement**.

9. Can independent contractors or consultants count toward eligible positions?

No. Independent contractors and consultants are **not** considered full-time employees and **cannot** be counted as eligible positions under the program.

10. How much time must employees spend working in New Jersey?

Employees must spend **at least 80% of their work time** in New Jersey.

11. Are there any restrictions for employees tied to a prior incentive?

The Authority shall not award program incentives for jobs or capital investments that have been previously incentivized under another State program.

12. What happens if we fall below the required number of eligible positions or salaries?

If, in any tax period, the number of **new employees in eligible positions** or the **total salary paid** to those employees falls below **80%** of the level required by the project agreement or statute (whichever is greater), the business will:

- **Forfeit its tax credit for that tax period and any subsequent periods**
- Be **ineligible to claim further credits** until it restores both the number and salary levels of eligible positions to at least 80% of the required threshold and receives approval from NJEDA

COLLABORATIVE RELATIONSHIP

13. What is a collaborative relationship under the Next New Jersey Program - AI?

A collaborative relationship is a contractual arrangement—lasting for the entire commitment period and renewable annually—between the applicant business and one or more of the following New Jersey-based entities:

- A public or private research university
- A technology startup company
- An incubator, accelerator, studio, or similar entity (provided a majority of its member businesses are NJ-based tech startups)

14. Why is a collaborative relationship required?

The collaborative relationship ensures that tax credit recipients actively support and strengthen New Jersey's AI ecosystem by contributing to research, innovation, and entrepreneurship through partnerships with local institutions and startups.

15. How much must a business invest in the collaborative relationship?

The **net cost value** of the collaborative relationship must be at least **10% of the total awarded tax credit amount**.

16. What types of support qualify as a collaborative relationship?

Examples include but are not limited to:

- **Price concessions** to the partnering entity
- **AI support services** (e.g., infrastructure access, tools, mentorship, research collaborations)
- **Other AI-related measures** as determined appropriate by NJEDA
Each collaboration must provide meaningful, AI-focused benefits to the participating New Jersey-based entity.

17. What documentation is required to demonstrate the collaborative relationship?

Applicants must submit a **letter of intent** with their application that outlines:

- The identity of the partner(s)
- The nature and scope of the collaboration
- The estimated value of the relationship
- How the collaboration supports AI-related activities in NJ

Full contractual documentation must be finalized upon award.

18. Can a collaborative relationship be with a trade group or venture fund?

No. Agreements with **trade groups, industry associations, venture funds, or similar entities** do **not** qualify.

19. Can the collaborative relationship be with multiple partners?

Yes. A business may partner with multiple qualifying entities as long as the total value of the collaboration meets the **10% threshold** and all partners meet the location and sector criteria.

20. How long must the collaborative relationship last?

The relationship must be in place for the **entire commitment period**, and it may be renewed annually. The business is responsible for maintaining this relationship for the duration of the commitment period

21. What happens if a collaborative relationship ends prematurely?

Failure to maintain an active collaborative relationship could result in **credit forfeiture** or **recapture**.

22. What does it mean to be “primarily engaged” in the artificial intelligence industry?

A business or its division is considered “primarily engaged” in the AI or large-scale AI data center industry if:

- More than **50% of employees** are engaged in **AI-related activities**, or
- More than **50% of revenue** is generated from **AI-related activities**, or
- **Both** criteria are met.

23. What if my company uses AI to support its internal operations?

Use of AI tools or systems solely to support your **own internal operations** (e.g., marketing automation, HR systems, data analytics) **does not** qualify as being primarily engaged in AI for the purposes of this program.

24. Does this requirement apply to the entire business or just a division?

It can apply to **either the entire business or a distinct division** within the business. You must clearly demonstrate which unit you are applying under and how it meets the AI engagement thresholds.

25. What documentation must be submitted to prove AI engagement?

Includes but not limited to:

- **Employee engagement:** Organizational charts, job descriptions, and project assignments showing that over 50% of employees (in the business or division) work on AI-related activities
- **Revenue generation:** Financial statements, segment revenue breakdowns, or other documentation showing over 50% of revenue comes from AI-related products, services, or operations

26. What happens if we meet one threshold but not the other?

Meeting **either** threshold—50% of employees or 50% of revenue—is sufficient. You are not required to meet both

CAPITAL INVESTMENT

27. What is the minimum capital investment requirement for the Next NJ Program – AI?

The minimum capital investment requirement must be equal to or greater than \$100,000,000.

28. What costs are considered to be eligible capital investment?

- Hard Construction Costs for renovation, repairs, or improvement

- Hard Construction Costs for new construction, Site preparation and construction
- Security Systems
- Site-related utilities
- Transportation Infrastructure
- Environmental Components
- Furnishings and Equipment
- Furnishings and Equipment – Capital Lease
- Connectivity and Telecommunications
- Energy Systems
- Cooling Technologies
- Soft Costs and Software (not exceed 20 percent of the total eligible capital investment)
- Landlord Contributions

A project cost analysis worksheet can be found [here](#).

29. Is capital investment made prior to submitting an application eligible?

No, Eligible capital investments must occur after the application has been submitted.

30. Is site or land acquisition an eligible capital investment expense?

No, site and land acquisitions are ineligible capital investment expenses under this program.

31. Will capital investment prior to submitting an application make the project ineligible? If construction has already started, does that impact our eligibility or disqualify us from participating in the program?

Any construction or capital investments made prior to NJEDA receiving a complete application would not be eligible toward the \$100 million minimum capital investment. That said, the project can still qualify as long as it meets the \$100 million capital investment minimum threshold at the Qualified Business Facility.

32. How is my tax credit award calculated?

Tax credits are awarded based on the **lesser of**:

- **0.1%** of total capital investment × number of new full-time jobs,
- **25%** of total capital investment, or
- **\$250 million** per project.

The total credits awarded are subject to a program-wide cap pursuant to N.J.S.A. 34:1B-362.

33. Is there a deadline for submitting applications?

Yes. Completed applications must be submitted **prior to March 1, 2029**.

34. What happens after approval?

If approved, applicants receive a letter outlining conditions for receiving the credit. Businesses must:

- Finalize a collaborative relationship
- Comply with wage and affirmative action laws
- Submit evidence of project financing and planning

- The business receives an **approval letter** with conditions (e.g., financing documentation, collaboration agreement);
- It must enter a **project agreement** and fulfill all obligations (capital investment, job creation, etc.);
- Upon completion, the business must submit **certifications** (e.g., CPA, engineer, collaborative partner) to receive a **certificate of compliance**;
- This certificate allows the business to **claim the tax credit** or transfer it.

35. What certifications are required?

Businesses must certify:

- Completion of capital investment
- Creation of required eligible new jobs
- Compliance with program requirements
- CEO certification
- Certifications must come from a CPA, engineer, or other professionals as required.

36. Are there annual reporting requirements?

Yes. Annual reports must be submitted to NJEDA on time and in full, or penalties may apply.

37. Can tax credits be reduced or revoked?

Yes. NJEDA may reduce, forfeit, or recapture tax credits if the business fails to meet eligibility, wage, or compliance requirements.

38. What happens if the business facility is sold or the business relocates?

- If a qualified facility is sold or the business is relocated during the eligibility period, the original business may forfeit its tax credits.
- Mergers and consolidations are also subject to specific rules. The new entity is not automatically eligible for the same credits.
- If you **sell the facility**, you forfeit future credits
- If you assign the **project agreement with Authority consent**, the new owner can take over
- Subleasing or downsizing may lead to partial forfeiture unless specific conditions are met

39. What are the prevailing wage and affirmative action requirements?

- **Construction work** valued over \$2,000 must comply with prevailing wage and affirmative action laws.
- **Building services work** at the qualified facility must also comply with prevailing wage standards for the duration of the commitment period.
- **Affirmative action** rules apply to construction contracts over **\$2,000**, for **2 years** after your first certificate of compliance
- **Prevailing wage** requirements for construction and building services during the commitment period

40. What if a business disagrees with a decision?

Businesses may appeal NJEDA decisions through the process outlined in **N.J.A.C. 19:31:CC-1.19**.

41. Is there an appeal process?

Yes. An applicant may appeal decisions per the process set forth in **N.J.A.C. 19:31CC-1.19**.

APPROVAL LETTER

42. What is an approval letter?

A: It is a formal document sent after Board approval, which outlines the **conditions you must meet** before entering a project agreement.

– Approval Letter Process

(a) Before signing the project agreement, the business must **return a signed approval letter**.

(b) Letter includes **conditions subsequent**, such as:

- Collaborative relationship entered
- Compliance with **prevailing wage** and **affirmative action** rules
- Compliance with **environmental and sustainability standards**
- Submission of planning approvals, site control, and financing documentation

(c) If documentation is not submitted **within 1 year**, approval **expires**, unless extended by the EDA.

(d) Must include **estimated completion date** and require **periodic progress reports**.

(e) Letter must be signed by the **CEO or equivalent**, certifying all facts under **penalty of perjury**.

PROJECT AGREEMENTS AND CERTIFICATIONS

43. What happens after I meet the conditions in the approval letter?

A: You will enter into a **project agreement** with the EDA. This is a legally binding contract outlining all program requirements.

44. What does the project agreement include?

Must include:

1. Project description and approved eligible new full-time jobs
2. Relevant personnel information
3. NJ project location commitment (Authority may recapture credits if violated)
4. Requirement to maintain job count or salaries, with proportional reduction if not met
5. Method for certifying compliance with capital investment & job creation
6. Representation of substantial good standing or a corrective action plan

GENERAL ELIGIBILITY & APPLICATION REVIEW

45. What determines if a business is in "substantial good standing"?

A business is generally considered in "substantial good standing" if it meets the following criteria:

- **NJ Taxation:** The cornerstone of good standing is holding a valid Tax Clearance Certificate. The applicant is responsible for obtaining a Business Tax Clearance Certificate by reaching out to the NJ Division of Taxation through its website portal. This certificate confirms that the business is up-to-date with its state tax obligations, including corporate business tax, sales and use tax, and employer withholding taxes. <https://www.state.nj.us/treasury/taxation/busasst.shtml>
- **Labor Law Adherence:** Businesses must be in good standing with the New Jersey Department of Labor and Workforce Development (DOLWD). This entails compliance with state labor laws and regulations, which can include proper payment of wages, unemployment and disability contributions, and adherence to worker safety standards. To verify this, the NJEDA will directly contact the DOLWD.
- **Environmental Regulation Compliance:** Good standing with the New Jersey Department of Environmental Protection (DEP) is another crucial element. This signifies that the business is operating in compliance with all applicable state environmental laws and regulations, which may involve permits, emissions standards, and waste disposal protocols. As with labor compliance, the NJEDA will reach out to the DEP to ensure the business is in good standing.

46. What happens if a business is not in substantial good standing with DEP, DOLWD, or Treasury?

The business may still be eligible if it has an approved **corrective action plan** with the relevant department. If the business has not resolved compliance issues or entered into an agreement with the relevant department—and has been formally notified and given the opportunity to respond, may **forfeit tax credit issuance** until those issues are resolved. (Ref: N.J.A.C. 19:31CC-1.10(a)8)

47. Does the Authority conduct background checks?

Yes, the Authority may contract with an **independent third party** to perform background checks on applicants.

48. Who decides whether my application is approved?

The **EDA Board** makes the final decision after staff review. Both the applicant and the Division of Taxation will be notified of the outcome.

49. How much of the tax credit can I use each year to offset my State Tax obligations?

Credits are taken **annually over the eligibility period**. Each year, you may claim no more than the total award **divided by the number of eligible years** which is 5 years under this program.

50. Can my annual credit amount change?

Yes. Each year's credit is **recalculated** based on your **annual report submission and performance**.

51. What if I fail to maintain the required jobs or salaries?

The Authority may **recalculate and reduce** your credit for that year or **recapture** credits if you fail to maintain project operations in NJ.

ELIGIBILITY & COMPLIANCE– Contractors, Good Standing, and Forfeiture

52. What are the compliance requirements for contractors and subcontractors working on the project?

Each contractor/subcontractor must:

- Be registered under the **Public Works Contractor Registration Act**,
- Not be **debarred** by DOLWD from public works projects, and
- Hold a **tax clearance certificate** from the Division of Taxation.

(Ref: N.J.A.C. 19:31CC-1.10(a)9)

53. What if I don't confirm my contractors meet these requirements?

The business may **forfeit tax credits** until the violation is resolved. It is the applicant's responsibility to verify and confirm full compliance. (Ref: N.J.A.C. 19:31CC-1.10(a)10)

VERIFICATION & OVERSIGHT

54. Can the Authority audit my records after approval?

Yes. The EDA may audit payroll records, and any documents related to annual reports, certifications, or affiliate additions as needed. (Ref: N.J.A.C. 19:31CC-1.10(a)11)

55. Can the Authority amend or terminate the agreement?

Yes. The project agreement will specify the **conditions for amendment or termination** by either the EDA or the business. (Ref: N.J.A.C. 19:31CC-1.10(a)13–14)

56. Will the tax statute of limitations change for this program?

Yes. The business agrees to extend the **statute of limitations** on corporate and insurance premium tax collection for the full **commitment period**. (Ref: N.J.A.C. 19:31CC-1.10(a)15)

57. Are there indemnification or insurance requirements?

Yes. The agreement will include **insurance and indemnification clauses** protecting the Authority. (Ref: N.J.A.C. 19:31CC-1.10(a)16)

58. What are the consequences of misrepresentation on the application?

A: Any **material misrepresentation** may result in default and associated penalties or **remedies**, including recapture of credits. (Ref: N.J.A.C. 19:31CC-1.10(a)17)

PROJECT COMPLETION & CERTIFICATION – Deadlines and Documentation

59. When must I submit final project certifications?

A: Generally, within **3 years** of approval. The EDA may grant up to **two 6-month extensions**. One final **1-year extension** (up to 5 years total) may be allowed under certain strict conditions, such as unforeseen delays outside your control. (Ref: N.J.A.C. 19:31CC-1.10(b)–(c))

60. What if there's a declared emergency (e.g., pandemic)?

A: The CEO of the Authority can grant extensions equal to the **emergency period**, and the Board can grant **two more 6-month extensions**. (Ref: N.J.A.C. 19:31CC-1.10(d))

61. What Must Be Submitted After Project Completion? **Required Certifications (N.J.A.C. 19:31CC-1.11)**

What certifications are required after project completion?

You must submit the following:

1. **Capital Investment Certification**

From a qualified, independent CPA using an agreed-upon procedures (AUP) letter.

- a. If your capital investment is **below the program minimum**, you're **ineligible** for tax credits.

2. **Employment & Salary Certification**

Also from a qualified CPA (or your CFO if pre-approved).

- a. The job count used in your final certification **cannot exceed** the number approved by the Board.
- b. Falling below the required job threshold also **voids your eligibility**.

3. **CPA Options**

You may use a CPA **not on the EDA's qualified list** if the eligible business demonstrates an extenuating circumstance prohibiting the eligible business from retaining a qualified certified public accountant. Such circumstances include, but are not limited to, the unavailability of any of the qualified certified public accountants to timely complete the certification or none of the qualified certified public accountants are independent to the eligible business; **Licensed Engineer Certification**

Confirming the facility met the **minimum environmental and sustainability standards**.

4. **Evidence of a Collaborative Relationship**

As defined in your project agreement.

5. **Site/Floor Plan**

Detailing uses, square footage, and compliance with the definition of a **qualified business facility**.

6. **Additional Documentation**

The Authority may request more materials or validate your reports with data from DOLWD.

7. **CEO Certification**

The **CEO or equivalent officer** must certify all submissions as **true under penalty of perjury**.

62. What if my project changes after Board approval?

Any **modification** to the approved project—like a **reduction in capital investment**, number of **new full-time jobs**, or **gross leasable area**—must be reviewed and approved by the Authority. These changes cannot **undermine the original basis** for your tax credit award. (Ref: N.J.A.C. 19:31CC-1.11(c))

63. Can my tax credit amount be recalculated after certification?

Yes. If your final certifications include **different assumptions or facts** from those used at approval, the Authority may **recalculate your award**. (Ref: N.J.A.C. 19:31CC-1.11(d))

64. When will I receive my tax credit certificate?

Within **90 days** of the Authority's **acceptance** of your certification (including proof of project completion), the Authority will issue your tax credit certificate and notify the Division of Taxation. The amount will be based on the certified information and subject to ongoing compliance. (Ref: N.J.A.C. 19:31CC-1.11(e))

ANNUAL REPORTING & COMPLIANCE (N.J.A.C. 19:31CC-1.12)

65. When do I need to submit annual reports?

Submit your **annual report** within **120 days** after the end of each tax year during the **commitment period**, starting from the year your tax credit is first issued. (Ref: N.J.A.C. 19:31CC-1.12(a))

66. What must be included in the annual report?

Key components:

1. CPA Certification (**AUP Letter**) verifying:
 - Full-time employees and new jobs in NJ
 - Statewide workforce counts
 - Affiliates' contributions and job counts
 - NJ tax return and wage/payroll reports
2. Affiliate changes (if applicable)
3. Confirmation that **contractors/subcontractors** meet registration, debarment, and tax clearance requirements
4. Active and compliant **collaborative relationship**
5. Updated **floor/site plan**
6. Compliance with **prevailing wage and affirmative action** rules
7. A statement about any known **non-compliance risks**

67. What if the payroll and wage reports don't match?

You must explain any **discrepancies** between your payroll report and quarterly wage report in the certified annual report. (Ref: N.J.A.C. 19:31CC-1.12(b))

68. Who certifies the annual report?

Your **CEO or equivalent officer** must certify that all information is **true under penalty of perjury**. (Ref: N.J.A.C. 19:31CC-1.12(c))

69. What if I miss an annual report or forget a required document?

Failure to submit complete, certified reports may lead to:

- **Forfeiture** of tax credits for that year (N.J.A.C. 19:31CC-1.12(f))
- **No credit certificate** issued for that tax period (N.J.A.C. 19:31CC-1.12(e))
- **Total loss** of credits for non-submission of payroll/wage data without extenuating circumstances (N.J.A.C. 19:31CC-1.12(g))

AFFILIATES & BUSINESS NAME CHANGES

70. Can I add or remove affiliates after approval?

Yes. You may add/remove affiliates **without formal modification**, if you:

- Provide **tax clearance**
- Verify the affiliate relationship via **CPA certification** or **legal opinion**
- Complete Authority's **legal disclosure review**
(Ref: N.J.A.C. 19:31CC-1.12(i))

71. Can my business change its name?

Yes. Submit a filed amendment and a **new tax clearance certificate**.

- If your **tax ID stays the same**, no formal modification is required.
- If your **tax ID changes**, a **formal modification** is necessary.
(Ref: N.J.A.C. 19:31CC-1.12(j))

Tax Credit Application, Transfer, Forfeiture, and Compliance (N.J.A.C. 19:31:CC-1.13 to 1.19)

72. When can I apply for my tax credit?

You may apply your tax credit in the tax period it was allowed or carry it forward for up to **ten consecutive tax periods**. After that, any unused credit expires.

73. Which taxes can the credit be applied to?

Credits may be applied to the following NJ tax liabilities:

- Corporate Business Tax (N.J.S.A. 54:10A-5)

- Insurance Premium Tax (N.J.S.A. 17:32-15; N.J.S.A. 17B:23-5)
- Gross Income Tax (as applicable under N.J.S.A. 54:18A-2 and A-3)

74. Can tax credits be transferred or sold?

Yes. You can apply for a **Tax Credit Transfer Certificate** within **3 years** of receiving your credit that, can be sold or assigned, subject to limitations and approval from both the Authority and the Division of Taxation.

After approval, businesses can:

- Sell or assign it (minimum transfer: **\$25,000**)
- Only **one transfer** is allowed
- **Must sell for at least 85%** of its value

75. What's the minimum I can sell my tax credit for?

The credit must be sold for **at least 85%** of its value (before present value discounting).

76. Can a purchaser re-sell or reassign a tax credit?

No. Once purchased, **further transfer or resale is prohibited**, except in the case of an approved project agreement assignment.

77. What could cause a tax credit to be forfeited or recaptured?

Credits may be forfeited or recaptured if the business:

- Fails to meet job, salary, capital investment, or sustainability requirements
- Reduces its Statewide workforce by more than 20%
- Does not pay prevailing wages
- Submits late annual reports (for at least two consecutive years)
- Makes material misrepresentations
- Violates any project agreement or program requirement

78. Who is responsible for repaying recaptured credit if it was sold?

The **original eligible business** is responsible for repayment, not the purchaser of the transferred credit.

79. Will I owe penalties or interest if my credits are recaptured?

Yes. Recapture may include **interest at the statutory deficiency rate, penalties, and collection costs**.

80. Can I assign my project agreement and rights to credits?

Yes, but only **with prior written consent from the Authority** and only if transferring the qualified business facility to the assignee.

81. What happens if I lease or sublease part of my qualified business facility?

You may forfeit credits unless:

- Subleases are limited to a **quality child care facility** or **up to 5%** for other tenants (without including their jobs/investments in your own)

82. Can affiliates receive tax credits?

No, however an affiliate can contribute to jobs and capital investments

83. Can I regain eligibility if I fix the shortfall in future years?

Yes. Eligibility may be **restored** once you submit documentation showing that the required number of eligible positions (or salaries) has been brought back to the **80% threshold or higher**, and NJEDA **reviews and approves** it.

84. I am having trouble obtaining a tax clearance through the PBS (Premier Business Services) portal. Who should I contact for assistance?

You can email businessassistancetc.taxation@treas.nj.gov any time for pins, to confirm the exact business name and/or for general assistance.

85. Will signing a lease or purchase agreement affect my company's eligibility for the program?

Eligibility may not be impacted but, the ability to count it towards the \$100 million capital investment will be.

86. If my company plans to renovate our current New Jersey AI facility and create 100 new jobs, would we be eligible for this program?

Yes, under the Next NJ Program—AI, renovations to your existing New Jersey AI facility may qualify. If they occur after submitting your application, they can count toward the \$100 million capital investment requirement. According to the legislation, eligible renovations are included in your capital investment total to help you meet the \$100 million threshold.
