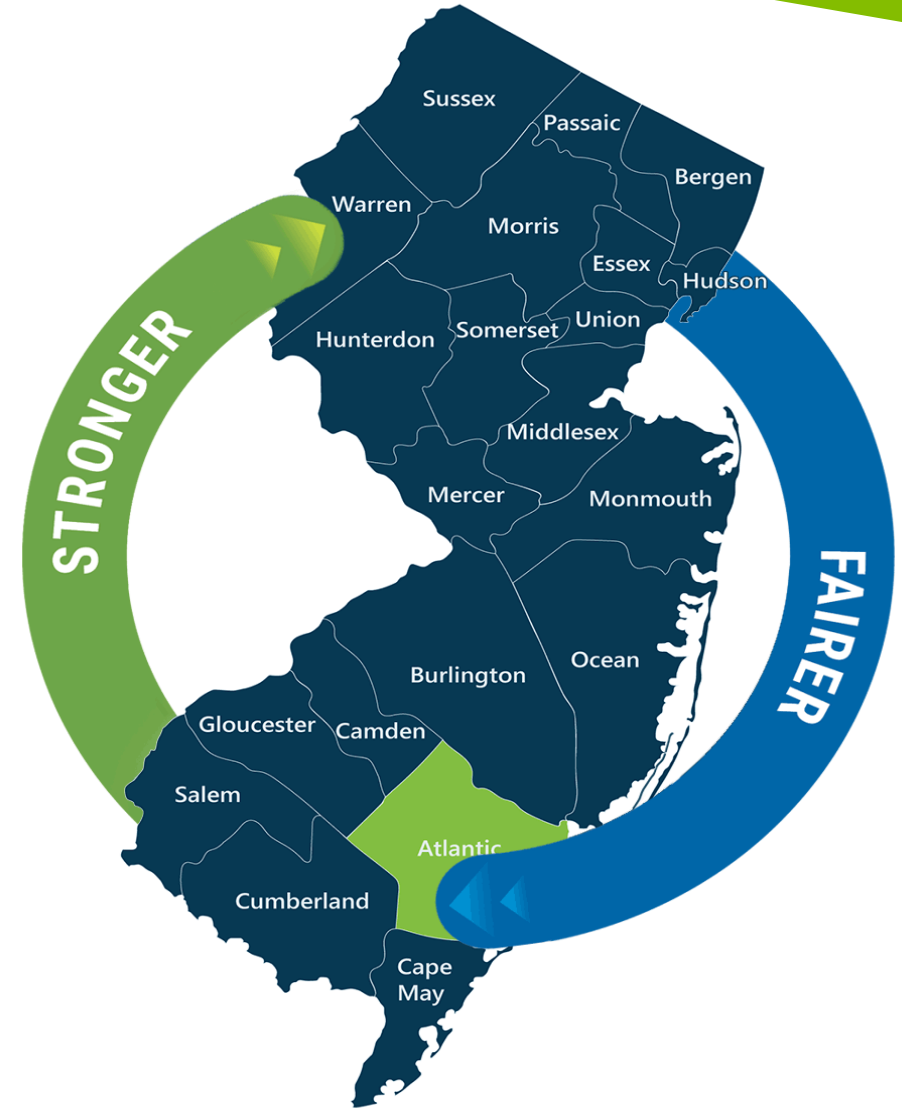




# EO 63 Listening Session

August 18, 2025



# Recording of Public Feedback Sessions

Members of the public can submit written feedback  
on the Next NJ Manufacturing Program  
Rules via [www.njeda.gov/public\\_information/#rules](http://www.njeda.gov/public_information/#rules)  
through August 22, 2025 at 5PM ET

This NJEDA Next NJ Manufacturing Program public feedback session will be recorded and posted on [www.njeda.gov](http://www.njeda.gov) so that members of the public unable to participate in a virtual session have the opportunity to review.

# Executive Order No. 63

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Pursuant to Governor Murphy's Executive Order No. 63, the NJEDA is providing opportunities for groups and stakeholders to engage with the NJEDA in crafting rules around Next NJ Program Incentive Program.

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

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The NJEDA will begin the session with a presentation to summarize the information – opportunity for public feedback will be available following the NJEDA's presentation. It is expected that the entirety of the session will take up to 90 minutes.

# Public Feedback Policy

- ▶ **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.
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- ▶ **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.
- ▶ **Speakers should not expect to engage in a dialogue. NJEDA staff may respond to basic questions or clarify a speaker’s input.** However, NJEDA staff are not obligated to answer impromptu questions or address remarks from members of the public.
- ▶ **Speakers and members of the public should at all times maintain proper decorum and shall provide their remarks in a civil manner.**

# Please Note

**For this presentation, please note the following:**

Non-highlighted text indicates areas where the NJEDA has used the rules to add clarity to the legislation.

Highlighted text is written into law which NJEDA does not have discretion to change.



**MANUFACTURING**

# Introduction

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**The Next NJ Manufacturing Program** is a robust tax credit program aimed at:

- Attracting significant investment.
- Creating manufacturing jobs.
- Cementing New Jersey's position as a leader in the Manufacturing industry economy.

It offers competitive incentives for companies ready to invest in New Jersey's Manufacturing sector and commit to the state's long-term growth.





# Introduction (Cont.)

**\$500 Million Total Tax Credit Allocation.**

**Of which, \$100 Million will be set aside for Clean Energy Manufacturing:** Allocated exclusively to clean energy manufacturing projects during the first 2 years. If the \$100 Million allocation is exhausted, Clean Energy Manufacturing can utilize funds from the \$400 Million allocation for all other manufacturers.

*After that time, the funds will be consolidated to support overall manufacturing industries.*





# Key Features

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 The program legislation (A5687) was signed by Governor Phil Murphy on August 13, **2025** as P.L. 2025, c.XX.

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 **Tax credits** are transferable and have a 10-tax period carry-forward provision.

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 Provides tax credits to incentivize **manufacturing** in New Jersey.

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 Program **accepts applications through March 1, 2029, on a rolling basis subject to available funding.**

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 Encourages **long-term investment into New Jersey's Manufacturing ecosystem** by helping to grow the industry in the Garden State.

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# Benefits

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Awarded tax credits will be issued over a five-year period, are transferable, and include a 10-tax-period carryforward option.



Awardees must maintain created jobs and facility in New Jersey for 10 years.

# Qualified Business Facility

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- ▶ **“Qualified business facility”** means any building, complex of buildings, or structural components of buildings, and all machinery and equipment located therein, in this State used in connection with the operation of an eligible business primarily for manufacturing.
- ▶ **Ancillary activities** related to packaging and distribution at the facility, including but not limited to warehousing, if the business uses the warehouse as part of the chain of distribution for products assembled, processed, and/or manufactured at the facility, and research and development to create new products or improve existing products may be counted as manufacturing space

# Eligibility

- ▶ **Minimum Job Creation:** 20 New Full-time Employees.
  - ▶ The median salary of the full-time jobs at the qualified business facility shall not be less than 120 percent of the median salary for manufacturing employees in the county in which the project is located.

*\* If a qualified business facility consists of a complex of buildings spanning multiple counties, the county with the highest median salary among those counties shall be used as the reference for determining salary requirements.*
  - ▶ At least 80% of the incentivized employees' work time must be spent in New Jersey and at the Qualified Business Facility. The tax withholdings of all full-time jobs are subject to New Jersey Gross Income Tax.
- ▶ **Minimum Capital Investment:** \$10 million at qualified business facility.
- ▶ **Collaboration:** A requirement for the eligible business to submit evidence, as required by the Authority, that it has entered into and maintained a contractual collaborative relationship with a New Jersey public or private college or university, public or private high school, or workforce development organization, or any combination thereof.

# Eligibility (Cont.)

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- **Companies Must:** maintain good standing with the New Jersey Department of Treasury, Department of Labor and Workforce Development, and Department of Environmental Protection.
- **Prevailing Wages: construction contracts and building services contracts** must adhere to New Jersey's prevailing wage and labor compliance requirements. Construction contracts must comply with the state's affirmative action requirements.  
Regulations, forms, and guidance documents are available at: [www.njeda.com/affirmativeaction](http://www.njeda.com/affirmativeaction)
- **Minimum Environmental and Sustainability Standards:** means standards established by the Authority in accordance with the green building manual prepared by the Commissioner of the Department of Community Affairs.

# Eligibility (Cont.)

- ▶ **Manufacturing Activities:** The Qualified Business Facility is **primarily (>50%)** engaged in manufacturing.

“**Manufacturer**” means a business engaged in manufacturing.

“**Manufacturing**” means producing or assembling of goods for sale by transforming raw materials or sub-components into components, specialized components, or finished products through various industrial processes, including but not limited to fabrication, assembly, chemical, or biologic processes. “Manufacturing” includes producing or assembling pilot products, including but not limited to, producing batches for clinical trials, producing finished drug products, or producing prototypes in a pilot plant or good manufacturing practices facility.

“Manufacturing” **does not include**, refurbishing or repairing goods, retail, wholesale, packaging, software development, resource extraction, or waste incineration.

# Eligibility (Cont.)

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- ▶ **Clean Energy Product Manufacturing Activities:** The Qualified Business Facility is primarily engaged in Clean Energy Manufacturing.

“**Clean energy product manufacturer**” means a manufacturer of components specifically for renewable energy, such as offshore and onshore wind, solar, geothermal, green hydrogen, fuel cells, battery storage, or clean energy manufacturing for nuclear energy.

“Clean energy product manufacturer” **does not include** businesses engaged in the production or assembly of components specifically for combustion-based energy generation.

*Note: \$100 Million will be allocated for Clean Energy Manufacturing during the first 2 years.*

*After that time, the funds will be consolidated to support overall manufacturing industries..*



# Collaborative Relationship

## Requirements:

Applicants must enter and maintain a contractual relationship, as approved by the Authority, over the term of the commitment period, which may be renewed annually, between an eligible business and a New Jersey-based:

- (1) Public or private university or college;
- (2) Public or private high school;
- (3) Workforce development organization;
- (4) Vocational or technical school or institution;
- (5) Labor organization, business or employer association, or nonprofit community-based organization that provides workforce training, apprenticeship, and career development services;
- (6) Entities or consortia made up of (1) through (5) that develop and deliver workforce training programs; or
- (7) Any combination thereof.

This collaborative relationship is evidenced by the provision of opportunities for workforce hiring, training, or apprenticeship; research and development; demonstration project; curriculum development or educational activity; or other measures determined appropriate by the authority.





# Program Timeline

## 10-year Commitment to New Jersey

- ▶ Awarded tax credits are issued during the first 5 years of a 10-year commitment to the state.



**Total 10-year commitment to NJ**

# Tax Credit Award (Cont.)

## AWARDS CALCULATION

Tax credit award per business is based on the lesser of:

- (1) 0.1% of the eligible business's total capital investment multiplied by the number of new full-time jobs;
- (2) 25% (Max Percentage) of the eligible business's total capital investment; or
- (3) \$150 million (Max Award)

## EXAMPLE OF AWARD CALCULATIONS

*Manufacturer proposing to create 100 new jobs, with a capital investment of \$300 Million*

NEW JOBS	100
CAPITAL INVESTMENT	\$300,000,000

Method 1, Calculation:  $(0.1\% \times 100 \text{ New Jobs}) = 10\% \times \$300 \text{ Million} = \$30,000,000$

Method 2, Max Percentage:  $25\% \times \$300 \text{ Million} = \$75,000,000$

Method 3, Max Award: Fixed Cap = \$150 Million

**ESTIMATED AWARD AMOUNT**

**\$30,000,000**

## The Next New Jersey Manufacturing Program

		Capital Investment					
		\$10,000,000.00	\$50,000,000.00	\$100,000,000.00	\$200,000,000.00	\$500,000,000.00	\$1,000,000,000.00
Number of New Jobs	Max Award %	Potential Award					
20	2%	\$200,000.00	\$1,000,000.00	\$2,000,000.00	\$4,000,000.00	\$10,000,000.00	\$20,000,000.00
50	5%	\$500,000.00	\$2,500,000.00	\$5,000,000.00	\$10,000,000.00	\$25,000,000.00	\$50,000,000.00
100	10%	\$1,000,000.00	\$5,000,000.00	\$10,000,000.00	\$20,000,000.00	\$50,000,000.00	\$100,000,000.00
250	25%	\$2,500,000.00	\$12,500,000.00	\$25,000,000.00	\$50,000,000.00	\$125,000,000.00	\$150,000,000.00
500	25%	\$2,500,000.00	\$12,500,000.00	\$25,000,000.00	\$50,000,000.00	\$125,000,000.00	\$150,000,000.00

\* Highlighted are based on program maximum (see program caps)

# Additional Program Details (Cont.)

## FOREFEITURE, REDUCTION, AND/OR RECAPTURE OF THE TAX CREDIT



# Additional Program Details (Cont.)

## FORFEITURE, REDUCTION, AND/OR RECAPTURE (yrs 1-5) OF TAX CREDIT

**Statewide Statutory Requirement: 80% OF JOB COUNT:** If, in any tax period, an eligible business reduces the total number of full-time employees in its Statewide workforce by more than 20% from the number of full-time employees in its Statewide workforce in the last tax period prior to the tax credit approval under the program, then the eligible business shall forfeit its credit for that tax period and each subsequent tax period, until the first tax period for which documentation demonstrating the restoration of the eligible business's Statewide workforce to the threshold levels required has been reviewed and approved by the Authority, for which tax period and each subsequent tax period the full amount of the credit shall be allowed.

**Statutory Requirement:** The credit shall be forfeited in the case of material misrepresentation.

### Proposed Rules:

- ▶ Failure to timely submit the annual report or progress report, absent extenuating circumstances and the written approval of the Authority, may result in forfeiture of some or all of the tax credit award.
- ▶ New jobs will be considered as backfilling open positions when establishing the statewide jobs baseline. Only after this baseline is established can they be counted as new full-time positions.
- ▶ In any year in which the applicant is not in substantial good standing with the Department of Labor and Workforce Development, the Department of Environmental Protection, or the Department of the Treasury, the applicant may forfeit all tax credits awarded in that year subject to the determination, in the sole discretion of the Authority, to extend, in individual cases, the deadline for any annual reporting requirement.

# Additional Program Details (cont.)

## FORFEITURE, REDUCTION, AND/OR RECAPTURE OF THE TAX CREDIT (yrs 6-10)

**Statutory Requirement:** Failure of the eligible business to meet any program criteria shall constitute a default and shall result in the recapture of all or part of the tax credit awarded.

### Proposed Rules:

- ▶ If all or part of a tax credit sold or assigned is subject to recapture, the Authority shall pursue recapture from the eligible business and not from the purchaser or assignee of the tax credit transfer certificate.
- ▶ The Authority may recapture all or part of a tax credit awarded if an eligible business does not remain in compliance with any other requirements of the program and/or the project agreement for the duration of the commitment period. Failure of the eligible business to meet any program criteria shall constitute a default and shall result in the recapture of all or part of the tax credit awarded.

# Additional Program Details (cont.)

## Affiliates

**Statutory Requirement:** An affiliate of an eligible business may contribute towards the capital investment and eligible position requirements and may satisfy the requirement for site control during construction and the eligibility period, but in no event shall the tax credit certificate be issued to an affiliate.

**Affiliates** means an entity that directly or indirectly controls, is under common control with, or is controlled by an eligible business. Control exists in all cases in which the entity is a member of a controlled group of corporations as defined pursuant to section 1563 of the federal Internal Revenue Code (26 U.S.C. s.1563) or the entity is an organization in a group of organizations under common control that is subject to the regulations applicable to organizations pursuant to subsection (b) or (c) of section 414 of the federal Internal Revenue Code (26 U.S.C. s.414).

### Rules:

- Evidence of affiliation requires an opinion of counsel or a CPA letter.



# Capital Investment

## Included in Eligible Capital Investment

### Statutory Requirement:

**Capital investment** means expenses incurred by a business or an affiliate of the business or on behalf of the business or affiliate by its landlord, at the qualified business facility **following its submission of a completed application** to the authority pursuant to section 5 of P.L. 2025, c. xx, but prior to the project completion date, as shall be defined in the project agreement pursuant to section 7 of P.L. 2025, c. xx, or until such other time specified by the authority, and which expenses are incurred for:

Capital Investments incurred prior to a completed application is allowed, but it will not count towards the eligible capital investment requirement.

# Capital Investment cont.

## Examples of Eligible Capital Investment

- Site preparation and construction, repair, renovation, improvement, equipping, or furnishing on real property or of a building, structure, facility, or improvement to real property.
- Obtaining and installing furnishings and machinery, apparatus, or equipment, or obtaining and installing of parts in an existing facility for the operation of a business on real property or in a building, structure, facility, or improvement to real property; or any combination of the foregoing.
- Improvement to a site-related utility of the real property, including, but not limited to, water, electric, sewer, and stormwater, and transportation infrastructure improvements, plantings, solar panels and components, energy storage components, installation costs of solar energy systems or other environmental components required to attain the level of silver rating and gold rating standards or above in the LEED building rating system, but only to the extent that such capital investments have not received any grant financial assistance from any other State funding source.
- The value of a capital lease, as defined by generally accepted accounting practices (GAAP), of furnishings and machinery, apparatus, or equipment, based on the shorter of the useful life of the leased property or the commitment period.
- Associated soft costs, which shall not exceed 20 percent of all capital investment.

“Capital investment” shall not include site acquisition, vehicles, and heavy equipment not permanently located in the building, structure, facility, or improvement. Landlord contributions for the purpose of eligibility of the program, are allowed.

# Capital Investment cont.

## Soft Costs

**Associated soft costs, which combined shall not exceed 20 percent of capital investment.**

**“Soft costs”** means all costs associated with financing, design, engineering, legal services, or real estate commissions, including, but not limited to, architect fees, permit fees, loan origination and closing costs, construction management, and freight and shipping delivery, but **not** including early lease termination costs, air fare, mileage, tolls, gas, meals, packing material, marketing, temporary signage, incentive consultant fees, authority fees, loan interest payments, escrows, or other similar costs.

# New Jersey Qualified Business Facility

## Qualified Business Facility (QBF)

**Statutory Requirement:** The business entity must maintain the project in New Jersey for the duration of the 10-year commitment period.

### Proposed Rules:

- ▶ Projects will be allowed to lease up to 5% of the qualified business facility.
- ▶ The sale or relocation of the Qualified Business Facility during the eligibility and commitment period may result in the tax credit being deemed ineligible and subject to forfeiture.

### Maintenance of the project in New Jersey:

Notwithstanding the foregoing, a business may lease or sublease a portion of its qualified business facility to a new tenant that is a quality childcare facility and up to 5% for any other new tenant without forfeiting any of the business's credits, provided that the new tenant's full-time employees and capital investment shall not be included in the business's eligible full-time employees or capital investment.

# Green Building Standards

## Minimum Environmental and Sustainability Standards

**“Minimum environmental and sustainability standards”** means standards established by the authority in accordance with the green building manual prepared by the Commissioner of Community Affairs pursuant to N.J.S.A. 52:27D-130.6, regarding the use of renewable energy, energy-efficient technology, and non-renewable resources to reduce environmental degradation and encourage long-term cost reduction.

To comply with minimum environmental and sustainability standards, a qualified business would, within **two years** of service adhere to green building standards.

[Green Building Guidance](#)

# BONUSES

## **Stackable 1% Bonuses available for each of the following:**

- ▶ Opportunity Zone Eligible Census Tract
- ▶ New Jersey Business Certifications (1% for each):
  - NJ Certified Woman/Minority Business Enterprise (WMBE)
  - NJ Certified Veteran Owned Businesses (VOB)
  - And Other State Business Certifications
- ▶ At least one Active Collective Bargaining Agreement or Labor Harmony Agreement in place

*Bonus is calculated off the annual award not to exceed a Maximum Bonus of 5% and Maximum Total Award Amount of \$150,000,000.00*



# Next NJ Program-Manufacturing Fees

## Fee Chart

### NEXT NEW JERSEY MANUFACTURING PROGRAM FEES

Project Fee Inputs	Small Projects (20- 75 Jobs)	Medium Projects (76 - 149 Jobs)	Large Projects (150 - 199 Jobs)	Mega Projects (200+ Jobs)
Application Fee Rate	\$ 5,000.00	\$ 10,000.00	\$ 15,000.00	\$ 20,000.00
Approval Fee Rate	\$ 10,000.00	\$ 37,500.00	\$ 50,000.00	\$ 75,000.00
Tax Credit Certificate Issuance Fee Rate	\$ 5,000.00	\$ 10,000.00	\$ 25,000.00	\$ 50,000.00
Annual Servicing Fee Rate	\$ 2,500.00	\$ 5,000.00	\$ 10,000.00	\$ 15,000.00
Tax Credit Transfer Certificate Fee Rate, if applicable	\$ 2,500.00	\$ 5,000.00	\$ 10,000.00	\$ 15,000.00
First six-month extension	\$ 2,500.00	\$ 5,000.00	\$ 10,000.00	\$ 15,000.00
Subsequent extension	\$ 3,750.00	\$ 7,500.00	\$ 15,000.00	\$ 25,000.00
Minor modification (administrative change, additions, or modification of the tax credit)	\$ 1,250.00	\$ 2,500.00	\$ 5,000.00	\$ 7,500.00
Major modification (board approval)	\$ 3,750.00	\$ 7,500.00	\$ 15,000.00	\$ 25,000.00
*Existing Incentive Agreement Termination: minor	\$ 1,250.00	\$ 2,500.00	\$ 5,000.00	\$ 7,500.00
*Existing Incentive Agreement Termination major (board approval)	\$ 5,000.00	\$ 7,500.00	\$ 15,000.00	\$ 25,000.00
Assignment Fee	\$ 15,000.00	\$ 20,000.00	\$ 25,000.00	\$ 35,000.00





# Conclusion

The Next NJ – Manufacturing Program presents an exciting opportunity for businesses looking to grow or establish themselves in a state dedicated to manufacturing job creation.

The Next NJ – Manufacturing Program will reinforce New Jersey's status as a frontrunner in the manufacturing economy.

It's a mutually beneficial arrangement, drawing substantial investments to New Jersey and promoting job growth.





For more information  
Visit: [www.njeda.gov/NEXTNJMFG](http://www.njeda.gov/NEXTNJMFG)  
Or email: [nextnjmfg@njeda.gov](mailto:nextnjmfg@njeda.gov)



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