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**RED = NEWEST LEGISLATIVE CHANGES (S4618/P.L. 2025, c. 81/SIGNED 6/30/25)**

## SUBCHAPTER 21. GARDEN STATE FILM AND DIGITAL MEDIA JOBS PROGRAM

### 19:31T-1.1 Applicability and scope

The rules in this subchapter are promulgated by the New Jersey Economic Development Authority in consultation with the New Jersey Motion Picture and Television Development Commission and the New Jersey Division of Taxation to implement the Garden State Film and Digital Media Jobs Act, P.L. 2018, c. 56, as amended at P.L. 2019, c. 506; P.L. 2020, c. 156; P.L. 2021, c. 160; P.L. 2021, c. 367; {and} P.L. 2023, c. 97; **[and] P.L. 2024, c. 33; and P.L. 2025, c. 81.**

### 19:31T-1.2 Definitions

The following words and terms, as used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

**"Applicant" means:**

- 1. A film production company applying for designation as a studio partner;**
- 2. An entity applying for designation as a film-lease partner facility;**
- 3. A person or entity applying for a tax credit for qualified film production expenses.**

**Such an entity includes, but is not limited to, a designated studio partner or an entity applying for a tax credit as a film-lease production company; or**

- 4. A person or entity applying for a tax credit for qualified digital media content production expenses. **Such an entity includes, but is not limited to, a film-lease post-production company.****

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"Approved applicant" means an applicant for a tax credit for qualified film production expenses or qualified digital media content production expenses that has received initial approval from the Authority.

"Authority" means the New Jersey Economic Development Authority.

"Business assistance or incentive" means "business assistance or incentive" as that term is defined pursuant to N.J.S.A. 54:50-39.d.

"Commission" means the New Jersey Motion Picture and Television [Development] Commission.

"Commitment period" means, for studio partners, the period beginning with the commencement of the eligibility period, [and expiring] **continuing for a minimum of 10 years and expiring upon notice by the studio partner to the Authority or non-compliance by the studio partner after the minimum 10 years, which starts upon the following:**

1. In the case of a studio partner developing or purchasing a production facility, the issuance of a temporary certificate(s) of occupancy for the production facility developed or purchased as a condition of designation as a studio partner; or
2. In the case of a studio partner leasing a production facility, commencement of the lease term for the production facility leased as a condition of designation as a studio partner.

"Deferred compensation" means additional payments, **incurred after film completion**, made to highly compensated individuals, such as writers, directors, producers,

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and performers, other than background actors with no scripted lines, that increase the total remuneration received for services performed on a production. Deferred compensation payments may include, but are not limited to, payments and advance payments for profit participations, residuals, launch bonuses, buy-out fees, or any other compensation due a highly compensated individual as a result of their services performed on, or the financial exploitation of a film or commercial audiovisual product.

"Digital media content" means {any data or information that is produced in digital form, including data or information created in analog form, but reformatted in digital form, text, graphics, photographs, animation, sound, and video content} *the following digitally formatted and distributed content, which content includes data or information created in analog form, but reformatted in digital form: animation; video games; visual effects; interactive media, including virtual, augmented, or mixed reality; content containing text, graphics, or photographs; sound; and video.* "Digital media content" [does] **shall** not mean content offerings generated by the end user (including postings on electronic bulletin boards and chat rooms); content offerings comprised primarily of local news, events, weather, or local market reports; public service content; electronic commerce platforms (such as retail and wholesale websites); websites or content offerings that contain obscene material as defined pursuant to N.J.S.A. 2C:34-2 and 2C:34-3; websites or content that are produced or maintained primarily for private, industrial, corporate, or institutional purposes; or digital media content acquired or licensed by the [taxpayer] **approved applicant** for distribution or incorporation into the [taxpayer's] **approved applicant's** digital media content.

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**“Digital media project” means the total digital media content production expenses incurred during a privileged period or taxable year.**

"Director" means the Director of the New Jersey Division of Taxation.

**“Economically disadvantaged area” means a New Jersey municipality that contains a federal population census tract that was eligible to be designated as a qualified opportunity zone pursuant to 26 U.S.C. § 1400Z-1.**

**"Eligibility period" means, with respect to studio partners, the period in which a studio partner may claim a tax credit for qualified film production expenses, including expenses that would not constitute qualified film production expenses but for the approved applicant's designation as a studio partner{, beginning the earlier of:}.**

***(a) The eligibility period begins the earlier of:***

- 1. The commencement of the principal photography for the studio partner's initial film in New Jersey; or**
- 2. In the case of a studio partner developing or purchasing a production facility, at the issuance of a temporary certificate(s) of occupancy for the production facility developed or purchased as a condition of designation as a studio partner, and in the case of a studio partner leasing a production facility, at the commencement of the lease term for the production facility leased as a condition of designation as a studio partner.**

***(b) Regardless of the event that commences the eligibility period, the eligibility period ends 10 years after the issuance of the temporary certificate of occupancy or the***

*commencement of the lease term described at paragraph (a)2 above* **when the commitment period ends.**

"Film" or "film project" means a feature film, a television series, or a television show of 22 minutes or more in length, intended for a national audience, or a television series or a television show of 22 minutes or more in length intended for a national or regional audience, including, but not limited to[, a]:

1. **A documentary feature film, documentary television series, or documentary television show{s};**
2. **A game show[, award show,];**
3. **A talk show;**
4. **A competition or variety show filmed before a live audience; or**
5. **An award show or** other gala event filmed and produced at a nonprofit arts and cultural venue receiving State funding.

"Film" shall not include a production featuring news, current events, weather, and market reports or public programming, [talk show,] or sports events, a production that solicits funds, a production containing obscene material as defined [under] **at** N.J.S.A. 2C:34-2 and 2C:34-3, or a production primarily for private, industrial, corporate, or institutional purposes. **Film shall not include [, or]** a reality show, except {for [taxpayers] **applicants** applying for a tax credit against the tax imposed pursuant to section 5 [of] **at** P.L. 1945, c. 165,} if the production company of the reality show {owns, leases, or otherwise occupies a production facility [of no less than 20,000 square feet of real property] for a minimum term of 24 months, and [invests] **makes a capital investment**, after

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July 1, 2018, **of** no less than \$ 3,000,000 in such a facility within a designated enterprise zone established pursuant to the New Jersey Urban Enterprise Zones Act, N.J.S.A. 52:27H-60 et seq., or a UEZ-impacted business district established pursuant to N.J.S.A. 52:27H-66.2} *has obtained a minimum six-episode order for a completed application submitted on or before June 30, 2025, or a minimum four-episode[s] order for a completed application submitted after June 30, 2025, from, and is commissioned and scheduled to premiere on, a major linear network or streaming service.* {The **capital** investment of the production company may include the **capital** investment of its landlord after July 1, 2018. To determine the **capital** investment of the landlord, the Authority shall multiply the owner's total capital investment in the building by the fraction, the numerator of which is the leased net leasable area and the denominator of which is the total net leasable area.} **Notwithstanding any provision of this section to the contrary, for an applicant applying on the basis of a studio partner designation, "film" shall include an ongoing television production that relocated to New Jersey and features news or current events, which may include sports themed current events programming, but shall not include a sports event, provided that the ongoing television production relocates to a production facility that is leased or owned by the studio partner and for which production facility such studio partner received its designation as a studio partner.** "Film" shall not include an award show or other gala event that is not filmed and produced at a nonprofit arts and cultural venue receiving State funding.

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*"Film completion" means 30 days after the process of post-production of a film has been finished and a final composite answer print, delivery air master, HD air master, interoperable master format (IMF), digital cinema files, or industry equivalent of the film is completed.*

"Film production use" means a film studio, professional stage, sound stage, television studio, recording studio, screening room, or other production support space or infrastructure used for producing films or other commercial audiovisual products, including, but not limited to, production offices, mill space, or backlots, provided that the predominant use shall not be administrative or back-office use and that backlots shall not exceed 20 percent of the required minimum size of the production facility.

"Fiscal year" means the State's fiscal year{, which begins July 1 and ends June 30}.

"Full-time or full-time equivalent employee" means an individual employed by the [taxpayer] **approved applicant** for consideration for at least 35 hours a week, or who renders any other standard of service generally accepted by custom or practice as full-time or full-time equivalent employment, whose wages **and salaries and other compensation** are subject to withholding as provided in the New Jersey Gross Income Tax Act, N.J.S.A. 54A:1-1 et seq., *or whose wages and salaries and other compensation are not subject to tax pursuant to the New Jersey Gross Income Tax Act, N.J.S.A. 54A:1-1 et seq., due to the provisions of a reciprocity agreement with another state*, regardless of whether the individual is a resident or nonresident gross income taxpayer, or who is a partner[, the taxpayer] **of an approved applicant**, who works for the partnership for at least 35 hours a week, or who renders any other standard of service generally accepted by custom or practice as full-time or full-time equivalent employment, and

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whose distributive share of income, gain, loss, or deduction, or whose guaranteed payments, or any combination thereof, is subject to the payment of estimated taxes, as provided in the New Jersey Gross Income Tax Act, N.J.S.A. 54A:1-1 et seq. "Full-time or full-time equivalent employee" shall not include an individual who works as an independent contractor or on a consulting basis for the [taxpayer] **approved applicant**.

"Highly compensated individual" means, *for studio partners and film-lease production companies* **which submitted a complete application on or before June 30, 2025**, an individual who directly or indirectly receives compensation in excess of \$500,000 for the performance of services used directly in a production *and for approved applicants other than studio partners and film-lease production companies* **[who applied] which submitted a complete application on or after July 10, 2024, an individual who directly or indirectly receives compensation in excess of \$750,000 for the performance of services used directly in a production. After June 30, 2025, "highly compensated individual" means, for all approved applicants, an individual who directly or indirectly receives compensation in excess of \$750,000 for the performance of services used directly in a production.** An individual receives compensation indirectly when the [taxpayer] **approved applicant** pays a loan out company that, in turn, pays the individual for the performance of services.

"Homeowner" means an individual who owns and occupies a personal residence, whether as their primary residence or otherwise.

"Incurred in New Jersey" means, for any application submitted after July 3, 2018, the effective date of P.L. 2018, c. 56, pursuant to which a tax credit has not been allowed



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prior to July 2, 2021, the effective date of P.L. 2021, c. 160, service performed in New Jersey and tangible personal property used or consumed in New Jersey. A service is performed in New Jersey to the extent that the individual performing the service is physically located in New Jersey while performing the service. Notwithstanding where the property is delivered or acquired, rented tangible property *is* used or consumed in New Jersey to the extent that the property is located in New Jersey during its use or consumption and is rented from a vendor authorized to do business in New Jersey {or, at the Authority's discretion,} *and* the film production company provides to the Authority the vendor's information in a form and manner prescribed by the Authority. Purchased tangible property is not used and consumed in New Jersey unless it is purchased from a vendor authorized to do business in New Jersey and is delivered to or acquired in New Jersey; provided, however, that if a production is also located in another jurisdiction, the purchased tangible property is used and consumed in New Jersey, *to the extent that the property is located in New Jersey during its use or consumption,* if the acquisition and delivery of purchased tangible property is located in either New Jersey or another jurisdiction where the production takes place. Payment made to a homeowner for the use of a personal residence located in the State for filming shall be deemed an expense incurred in New Jersey, notwithstanding the fact that such homeowner is not a vendor authorized to do business in New Jersey, provided that the approved applicant has made the withholding required by N.J.S.A. 54:10A-5.39b.g and 54A:4-12b.h and N.J.A.C. 19:31T-1.3(c).

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"Independent contractor" means an individual treated as an independent contractor for Federal and State tax purposes who is contracted with by the [taxpayer] **approved applicant** for the performance of services used directly in a production.

**[*"Independent post-production company" or "qualified independent post-production company" means a corporation, partnership, limited liability company, or other entity principally engaged in the provision of post-production services, including visual effects services, for a film or films described in this chapter, including a film or films that do not satisfy the requirements at N.J.S.A. 54:10A-5.39b(a)(1)(a) and 54A:4-12b(a)(1)(a) and N.J.A.C. 19:31T-1.3(a), which entity is not a publicly traded entity or for which entity that no more than five percent of the beneficial ownership is owned directly or indirectly by a publicly traded entity.*]**

"Loan out company" means *for applications submitted prior to July 10, 2024, a personal service corporation or other entity with which an approved applicant contracts for the provision of specified individual personnel, such as artists, crew, actors, producers, or directors for the performance of services used directly in a production; and, for applications submitted on or after July 10, 2024, a personal service corporation or other entity, authorized to do business in New Jersey*, that is contracted with by the [taxpayer] **approved applicant** to provide specified individual personnel, such as artists, crew, actors, producers, or directors for the performance of services used directly in a production. "Loan out company" [does] **shall** not include entities contracted with by the [taxpayer] **approved applicant** to provide goods or ancillary contractor services, such as catering, construction, trailers, equipment, or transportation.

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"New Jersey film-lease partner facility" or "film-lease partner facility" means one of the following for which the owner, developer, or tenant has made the commitment to build, lease, or operate for a period of at least five successive years beginning with the later of the date of Authority approval or the issuance of the temporary certificate(s) of occupancy:

1. A production facility;
2. A production facility built, leased, or operated by a production company designated as a studio partner, which the studio partner no longer occupies; or
3. A portion of a production facility owned by a studio partner that is in excess of the space being utilized by the studio partner; provided that the space utilized by the studio partner *and by the film-lease partner facility* both exceed{s} the minimum size for a studio partner and film-lease partner facility, respectively.

**"New Jersey film-lease post-production company" or "film-lease post-production company" means a qualified post-production company that is:**

- (a) an applicant, including any applicant that is a member of a combined group pursuant to N.J.S.A. 54:10A-4.11 or any other entity in which the film-lease post-production company has a material ownership interest of at least 30 percent and a material operational role in the film production, including, but not limited to, as a producer, that otherwise complies with the eligibility requirements of the Program, has made a commitment to lease or otherwise occupy production space in a film-lease partner facility, and satisfies the criteria of N.J.S.A. 54:10A-5.39b(b)(3), N.J.S.A. 54A:4-12b(b)(3), and N.J.A.C. 19:31T-1.3(b)1iii(1).**

(b) In addition to the foregoing, if a film-lease partner facility has not yet received a temporary or final certificate of occupancy, a film-lease post-production company shall have entered into a lease or sublease with the owner or developer of a film-lease partner facility, which:

1. is for not less than three years of occupancy of the film-lease partner facility;
2. includes at least 36,000 square feet of gross rentable space; and
3. cannot be subleased to an entity that does not meet this definition of “film-lease post-production company” such that the occupancy of the film-lease post-production company is less than the requirements in 1. and 2. above.

“New Jersey film-lease post-production company tenant” or “film-lease post-production company tenant” means the film-lease production company that is the party to the lease or sublease with the owner or developer of a film-lease partner facility.

"New Jersey film-lease production company" or "film-lease production company" means {an}:

- (a) An applicant, including any applicant that is a member of a combined group pursuant to N.J.S.A. 54:10A-4.11 or any other entity in which the film-lease production company has a material ownership interest of at least 30 percent and has oversight of operations of the entity, as demonstrated by the control of at least one board of director position or other management responsibilities, which may include the right to appoint managers or having employees of the film-lease

**production company serve as the managers of the entity, or has a material operational role in the **film** production, including, but not limited to, as a producer, that otherwise complies with the eligibility requirements of the program and has made a commitment to lease or otherwise occupy production space in a film-lease partner facility {and who will shoot} **and who will shoot at least 50 percent of the total principal photography shoot days of the film project within New Jersey.****

*1. In addition to the foregoing, if a film-lease partner facility has received a temporary or final certificate of occupancy, a film production company shall satisfy one of the following two criteria:*

*i. The film production company shoots at least 50 percent of the total principal photography shoot days of the film project within New Jersey at the film-lease partner facility{.}; or*

*ii. The qualified film production expenses of the project for all services performed and goods used or consumed at the film-lease partner facility, **including qualified wage and salary payments, and payments made for the use of the film-lease partner facility equal or exceed 33 percent of the total qualified film production expenses of the **film** project.***

*2. In addition to the foregoing, if a film-lease partner facility has not yet received a temporary or final certificate of occupancy, a film production company shall have:*

*i. Entered into a lease or sublease with the owner or developer of a film-lease partner facility, which:*

*(1) Is for not less than three years of occupancy of the film-lease partner facility; [and]*

*(2) Includes at least 36,000 square feet of soundstage space; and*

*(3) Cannot be subleased to an entity that does not meet this definition of "film-lease production company" such that the occupancy of the film-lease production company is less than the requirements in (1) and (2) above; and[.]*

*ii. Executed a contract with the owner or developer of the film-lease partner facility for such owner or developer to provide production services for films produced by the film production company in New Jersey prior to the film-lease partner facility's receipt of a temporary or final certificate of occupancy.*

*(b) {A "New Jersey film-lease production company" may include an}An unrelated entity principally engaged in the production of a film or other commercial audiovisual product with whom a [designated] film-lease production company **tenant** contracts to perform film production services on its behalf, **for which the film-lease production company tenant contracted with the unrelated entity prior to qualified film production expenses being incurred and after the film-lease production company***

**tenant satisfies all of the requirements of in paragraph (a) in this definition, such that the [designated] film-lease production company tenant:**

**1. controls such film or product during preproduction, production, and postproduction[, and all results and proceeds of such services constitute, from the moment of creation, "works made for hire" for the film-lease production company pursuant to the provisions of the Federal Copyright Act of 1976, 17 U.S.C. §§ 101 et seq.]; or**

**2. controls global distribution rights for the resulting film or other commercial audiovisual product.**

**“New Jersey film-lease production company tenant” or “film-lease production company tenant” means the film-lease production company that is the party to the lease or sublease with the owner or developer of a film-lease partner facility.**

**"New Jersey studio partner" or "studio partner" means {a}:**

***(a) When applying for a designation:***

**1. A film production company that has made a commitment to produce films or commercial audiovisual products in New Jersey and has developed, purchased, or executed a 10-year contract to lease a production facility, or has executed a purchase contract with a governmental authority for the purpose of developing a production facility, which purchase contract must be executed within 48 months from the date of designation as a New Jersey studio partner;**

provided, however, the Authority Board, in its discretion, may extend the time to execute a purchase contract for an additional 12 months{.}; or

2. A {"studio partner" shall also include a} film production company that executes at least a 10-year lease for a production facility that is a portion of a film-lease partner facility.

*(b) When applying for a film tax credit:*

*1. The film production company designated as a studio partner;*

*2. {A "New Jersey studio partner" may include any} Any other member of {an applicant's} the combined group, pursuant to N.J.S.A. 54:10A-4.11{.}, of the film production company designated as a studio partner; or*

*3. {For the purpose of applying for film tax credits pursuant to N.J.A.C. 19:31T-1.3, a "New Jersey studio partner" shall also mean an unrelated} An entity unrelated to the film production company designated as a studio partner, which entity is principally engaged in the production of a film or other commercial audiovisual product with whom {a} the film production company designated as a studio partner contracts to perform film production services on its behalf or for its benefit, which contract was entered into prior to the qualified film production expenses being incurred and after the designation of the studio partner, such that the film production company designated as a studio partner {controls}:*



- i. Controls such film or product during pre-production, production, and post-production{, and all results and proceeds of such services constitute, from the moment of creation, "works made for hire" for the studio partner pursuant to the provisions of the Federal Copyright Act of 1976, 17 U.S.C. §§ 101 et seq.}; or*
- ii. Controls global distribution rights for the resulting film or other commercial audiovisual product[, provided that the studio partner contracted with the unrelated entity prior to qualified film production expenses being incurred].*

**“Out-of-State producer fees” means wages or salaries or other compensation paid to individuals who are listed in the credits for the film with a title that includes “producer” and payments made to a vendor that provides production services. Payments made to a loan out company, which must comply with N.J.A.C. 19:31T-1.3(c), shall also be included. To be Out-of-State producer fees, the individuals and vendor and loan-out employees performing the services shall not be physically located in New Jersey while performing the production services. Out-of-State producer fees do not include payments made to individuals including line producers or individuals involved in specific department responsibilities, or to vendors who provide production services for a specific geographic jurisdiction.**

"Partnership" means an entity classified as a partnership for Federal income tax purposes.

**"Personal residence" means a residential unit, the land on which the residential unit is located, and any other structures on such land. A personal residence includes, but is not**

**limited to, a condominium, a unit in a horizontal property regime, or a unit in a cooperative or mutual housing corporation of a residential shareholder. A personal residence excludes a multi-family residential structure of more than four units and a residential unit that another person occupies as that person's primary residence.**

"Post-production costs" means the costs of the phase of production of a film that follows principal photography, in which raw footage is cut and assembled into a finished film with sound synchronization and visual effects. There shall be no distinguishing between the production and post-production phases for animated films due to the intertwined relationship between those two phases in animation.

"Pre-production costs" means the costs of the phase of production of a film that precedes principal photography, in which a detailed schedule and budget for the production is prepared, the script and location is finalized, and contracts with vendors are negotiated. For animated films, pre-production constitutes the period of time during which models are drawn on paper and/or created in the computer (for example, storyboarding).

"Primary place of business" means, for purposes of determining the amount of tax credit pursuant to N.J.A.C. 19:31T-1.6(a) and (b), the headquarters or commercial facility of a vendor at which the qualified expense transaction occurs.

"Principal photography" means the filming of major and significant portions of a qualified film that involves the [lead actors or actresses] **director of the film on set**. For animated films, "principal photography" means the point at which the models created during the pre-production phase are complete and the staff begins to choreograph, animate, and render the animations.

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"Privilege period" means the calendar or fiscal accounting period for which a tax is payable under the Corporation Business Tax Act, N.J.S.A. 54:10A-5.

**"Production facility" means a building or buildings in New Jersey used for film production uses {of no less than 20,000 square feet for a production company of a reality show and} with no less than 250,000 square feet for a film-lease partner facility or a studio partner.**

"Program" means the Garden State Film and Digital Media Jobs Program.

"Qualified digital media content production expenses" means expenses incurred in New Jersey after July 1, 2018, *to the extent that any such expense is incurred* for the production of digital media content. "Qualified digital media content production expenses" shall include, but [shall] not be limited to{,}: *the wages and salaries and other compensation* of individuals employed in the production of digital media content on which the tax imposed by the New Jersey Gross Income Tax Act, N.J.S.A. 54A:1-1 et seq., has been paid or is due{; and,} *and any wages and salaries and other compensation of individuals employed in the production of digital media content that are not subject to tax pursuant to the New Jersey Gross Income Tax Act, N.J.S.A. 54A:1-1 et seq., due to the provisions of a reciprocity agreement with another state;* the costs of computer software and hardware, data processing, visualization technologies, sound synchronization, editing, and the rental of facilities and equipment; *and the costs for post-production, including, but not limited to: editing, sound design, visual effects, animation, music composition, color grading, and mastering.* Payments made to a loan out company or to an independent contractor shall not be [a] **deemed** "qualified digital media content production

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expenses” unless the payments are made in connection with a trade, profession, or occupation carried out in this State or for the rendition of personal services performed in the State and the [taxpayer] **approved applicant** has made the withholding required [by] **pursuant to N.J.S.A. 54:10A-5.39b.g and 54A:4-12b.h and N.J.A.C. 19:31T-1.3(c).**{“Qualified”} *For applications submitted prior to July 10, 2024, “qualified digital media content production expenses” shall not include expenses incurred in marketing, promotion, or advertising digital media or other costs not directly related to the production of digital media content. For applications submitted after July 10, 2024, “qualified digital media content production expenses” shall not include expenses incurred in marketing, promotion, or advertising digital media; costs incurred for the design, maintenance, and hosting of websites; or other costs not directly related to the production of digital media content.* Costs related to the acquisition or licensing of digital media content by the [taxpayer] **approved applicant** for distribution or incorporation into the [taxpayer’s] **approved applicant's** digital media content *or any costs included in another program application submitted to the Authority, or other costs for intangible personal {expenses} property,* shall not be **deemed** “qualified digital media content production expenses.”

“Qualified film production expenses” means:

**(a)** an expense incurred in New Jersey~~[:]~~ after July 1, 2018, for the production of a film, including pre-production costs~~[,]~~ and post-production costs incurred in New Jersey, *and for completed applications submitted on or after January 1, 2026, until film completion, except that deferred compensation may be incurred after film completion.* “Qualified film production expenses” shall include, but [shall] not be limited to: *the* wages and salaries **and other**

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**compensation** of individuals employed in the production of a film on which the tax imposed [by] pursuant to N.J.S.A. 54A:1-1 et seq., has been paid or is due, *and any wages and salaries and other compensation of individuals employed in the production of a film that are not subject to tax pursuant to the New Jersey Gross Income Tax Act, N.J.S.A. 54A:1-1 et seq., due to the provisions of a reciprocity agreement with another state;* and{,} the costs for tangible personal property used and services performed, directly and exclusively in the production of a film, such as expenditures for film production facilities, props, makeup, wardrobe, film processing, camera, sound recording, set construction, lighting, shooting, editing, and meals.

**(b) Notwithstanding anything to the contrary in paragraphs (a), (d), and (f) of this definition, for completed applications submitted after June 30, 2025 and expenses incurred after June 30, 2025 by a studio partner or film-lease production company that enters into a lease to occupy a film-lease partner facility for at least three years, “qualified film production expenses” includes the following expenses incurred in the production of the film, which expenses shall be included in a percentage proportional to the percentage of principal photography shoot days in the State: total production insurance premiums paid to insurance companies registered to do business in New Jersey, which premiums shall exclude payments for errors and omissions insurance; total out-of-State producer fees; and total intellectual property rights fees. For purposes of this paragraph (b), intellectual property rights include life, derivative, book, and music rights, but exclude intellectual property rights associated with script costs. However, cumulative expenses for total production insurance premiums, total out-of-State producer fees, and total intellectual property rights fees shall not exceed**

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seven and one-half percent of “qualified film production expenses” for any studio partner or film-lease production company, based on the order of calculation of expenses as set forth in N.J.A.C. 19:31T-1.6(c).

(c) Notwithstanding anything to the contrary in paragraphs (a), (d), and (f) of this definition, for completed applications submitted after June 30, 2025 and expenses incurred after June 30, 2025 by a studio partner or film-lease production company that enters into a lease to occupy a film-lease partner facility for at least three years, “qualified film production expenses” includes: the total script costs of any script written within New Jersey; or the product of the total script costs of any script written outside New Jersey and the percentage of the principal photography shoot days in New Jersey relative to the total principal photography shoot days for the film. Notwithstanding the foregoing, for any original application approved by the authority on or after January 1, 2028 for a New Jersey studio partner or New Jersey film-lease production company that enters into a lease to occupy a New Jersey film-lease partner facility for at least three years, “qualified film production expenses” shall include the total script costs of any script written within New Jersey; or the product of the total script costs of any script written outside New Jersey and the percentage of the principal photography shoot days in this State relative to the total principal photography shoot days for the film, provided that the approved applicant satisfies the requirements set forth at N.J.A.C. 19:31T-1.7(c)9.

(d) Payments made to a loan out company or to an independent contractor shall not be deemed a "qualified film production expense[s]" unless the payments are made in connection with

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a trade, profession, or **occupation** [carried out] **performed** in this State or for the rendition of personal services performed in this State and **the** [taxpayer] **approved applicant** has made the withholding required [by] **pursuant to *N.J.S.A. 54:10A-5.39b.g and 54A:4-12b.h* and N.J.A.C. 19:31T-1.3(c).** As of July 6, 2023, the effective date of P.L. 2023, c. 97, payment made to a homeowner, who is otherwise not a vendor authorized to do business in New Jersey, for the use of a personal residence for filming shall not be deemed a "qualified film production expense" unless the approved applicant has made the withholding required pursuant to N.J.S.A. 54:10A-5.39b.g and 54A:4-12b.h and N.J.A.C. 19:31T-1.3(c).

**(e)** For the purposes of this definition, wages and salaries **and other compensation** of individuals employed in the production of a film shall include deferred compensation, including advances on deferred compensation, incurred by studio partners, provided the studio partner files a supplemental report as set forth at N.J.A.C. 19:31T-1.7(**[f]g**). **As of June 30, 2025, the effective date of P.L. 2025, c. 81, deferred compensation payments made directly to a bona fide labor union on behalf of an individual who performed services on a production where the taxes under the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., were not withheld shall constitute qualified film production expenses, provided that the payment otherwise satisfies the requirements of P.L. 2025, c.81.**

**(f)** "Qualified film production expenses" shall not include: **costs for intangible personal {expenses} property** incurred after February 26, 2024; expenses incurred in marketing or advertising a film; {and} ***expenses for a story, script, or scenario to be used for a film, except that qualified film production expenses may include script costs, including the cost of script***

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**purchase, for a studio partner or film-lease production company as set forth in (c) above; and reality show, game show, and competition show prizes or awards; any costs included in an another program application submitted to the Authority[; for taxpayers other than studio partners and film-lease production companies].**

**(g) "Qualified film production expenses" shall not include** payment in excess of {~~\$500,000~~} **\$750,000** to a highly compensated individual for {costs for a story, script, or scenario used in the production of a film and} wages or salaries or other compensation for writers, directors, including music directors, producers, and performers, other than background actors with no scripted lines[.]{,}; **[and for studio partners and film-lease production companies, payment in excess of \$500,000 to a highly compensated individual for wages or salaries or other compensation for writers, directors, including music directors, producers, and performers, other than background actors with no scripted lines,]** except as follows[, based on the qualified film production expenses in the State without including the excess amounts paid to highly compensated individuals]:

**1. For a studio partner that:**

**i. incurs less than {~~\$50,000,000~~} \$25,000,000 in qualified film production expenses in the State, which shall be determined by including the additional amount provided in this subparagraph i, in excess of amounts paid to highly compensated individuals, an additional amount, not to exceed \$18,000,000, of the wages or salaries or other compensation for writers, directors, including music directors,**



producers, and performers, other than background actors with no scripted lines, shall constitute qualified film production expenses;

[2.]ii. [For a studio partner that] incurs {\$50,000,000} \$25,000,000 or more in qualified film production expenses in the State, which shall be determined by including the additional amount provided in this subparagraph ii, in excess of amounts paid to highly compensated individuals, an additional amount, not to exceed \$72,000,000, of the wages or salaries or other compensation for writers, directors, including music directors, producers, and performers, other than background actors with no scripted lines, shall constitute qualified film production expenses;

iii. after June 30, 2025, incurs \$125,000,000 or more in qualified film production expenses in the State, which shall be determined by including the additional amount provided in this subparagraph iii, for the production of a film that is a feature film, the following shall constitute qualified film production expenses:

(1) amounts in excess of the amounts paid to highly compensated individuals, an additional amount, not to exceed \$72,000,000, of the wages and salaries or other compensation for writers, directors, including music directors, producers, and performers, other than background actors with no scripted lines, shall constitute qualified film production expenses, except for costs included in (2) and (3) below;

(2) amounts paid for script costs, and

**(3) amounts paid or incurred for deferred compensation, including advances on deferred compensation.**

**[3.]2. For a film-lease production company that:**

**i. incurs less than \$50,000,000 in qualified film production expenses in the State, which shall be determined by including the additional amount provided in this subparagraph i, in excess of amounts paid to highly compensated individuals, an additional amount, not to exceed \$15,000,000, of the wages or salaries or other compensation for writers, directors, including music directors, producers, and performers, other than background actors with no scripted lines, shall constitute qualified film production expenses; and**

**[4.]ii. [For a film-lease production company that] incurs \$50,000,000 or more in qualified film production expenses in the State, which shall be determined by including the additional amount provided in this subparagraph ii, in excess of amounts paid to highly compensated individuals, an additional amount, not to exceed \$60,000,000, of the wages or salaries or other compensation for writers, directors, including music directors, producers, and performers, other than background actors with no scripted lines, shall constitute qualified film production expenses.**

**"Qualified post-production company" means a corporation, partnership, limited liability company, or other entity engaged in post-production and that incurs post-production costs, including visual effects activities on a film or films defined in this section,**

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including, but not limited to, a film or films that do not satisfy the requirements of N.J.S.A. 54:10A-5.39b.a(1)(a), N.J.S.A. 54A:4-12b.a(1)(a) and N.J.A.C. 19:31T-1.3(a)1.

*“Qualified wage and salary payments” means the wage and salary payments or other compensation incurred by the approved applicant [in New Jersey] that are qualified film production expenses or qualified digital media content production expenses.*

*“Reality show” means content that is centered around the filming of people in purported real-life, predominantly unscripted or soft-scripted, situations.*

*“Reason outside the control” means any event related to the production facility, including, but not limited to, the failure of the approved applicant’s landlord to timely deliver or to operate the production facility or a landlord’s breach of the production facility lease with the approved applicant, beyond the approved applicant’s control and without its fault or negligence for which the approved applicant is using good faith efforts, with all due diligence, to proceed with its obligations under the program and the approved applicant has made good faith efforts to prevent, avoid, mitigate, and overcome the event.*

*“Script costs” means expenses incurred for the direct costs of labor for writing a script and for associated intellectual property rights. Payments made to a loan out company, which must comply with N.J.A.C. 19:31T-1.3(c), shall also be included. Script costs shall not include expenses for other intellectual property rights or any expenses incurred outside of New Jersey for facilities or materials.*

*“Selling business” means [a taxpayer] an approved applicant that has unused tax credits, which it wishes to sell.*

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"Shoot day" means a minimum of eight hours from first unit crew call to wrap.

"Square feet" or "*square footage*" means the sum of all areas on all floors of a building included within the outside faces of its exterior walls, including all vertical penetration areas for circulation and shaft areas that connect one floor to another, but disregarding cornices, pilasters, buttresses, and similar structures that extend beyond the wall faces. For backlot, "square feet" means the area dedicated by the applicant for backlot use as evidenced on a site plan.

"Taxable year" means the calendar or fiscal accounting period for which a tax is payable [under] **pursuant to** N.J.S.A. 54A:1-1 et seq.{, and commencing on or after July 1, 2018, but before July 1, [2023] **2039**}.

"Taxation" or "***Division***" means the New Jersey Division of Taxation.

"Tax credit transfer certificate" means the certificate issued by [the Division of] Taxation certifying to the selling business the amounts of film tax credit being sold. The certificate shall state that the transferor waives its right to claim the credit shown on the certificate. The certificate shall [show the fiscal year in which the application was initially approved and] have the same tax credit vintage year as the original tax credit certificate.

"Tax credit vintage year" means {the}:

(a) **The approved** applicant's privilege period or taxable year in which the Authority issued the **initial** approval of the application [and the tax credit may be applied], **until the cumulative total amount of tax credits, and tax credit transfer certificates, allowed to approved applicants exceeds the amounts of tax credits available in a fiscal year, after**

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which "tax credit vintage year" shall mean the next subsequent privilege period or taxable year of the applicant in which tax credits are available{.};

*(b) For applications approved on or after January 1, 2026, "tax credit vintage year" means the **approved** applicant's privilege period or taxable year in which the Authority gives final approval; and*

*(c) For applications that received initial approval prior to January 1, 2026, but have not yet received final approval, the approved applicant may elect **on or after January 1, 2026** upon written notice to the Authority to use the tax credit vintage year at paragraph (b) above.*

"Taxpayer" means an applicant, a designated studio partner, a designated film-lease partner facility, or an approved applicant.

*"Television series" or **"television production"** means a series of one or more television shows, each 22 minutes or more in length. **A television series may be a single season in a multi-season production.***

"Total digital media content production expenses" means costs for services performed and property used or consumed in the production of digital media content **including, but not limited to, wages and salaries and other compensation.** {"Total digital media content production expenses" shall not include costs for intangible personal expenses incurred after February 26, 2024.}

"Total film production expenses" means costs for services performed and tangible personal property used or consumed in the production of a film, **including, but not limited to, wages and**

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salaries **and other compensation**. {"Total film production expenses" shall not include costs for intangible personal expenses incurred after February 26, 2024.} *For completed applications submitted on or after January 1, 2026, total film production expenses shall not include any costs incurred after film completion, except that deferred compensation may be incurred after film completion.*

"Vendor authorized to do business in New Jersey" means a vendor that, **at the time the expense was incurred in New Jersey**, has obtained authorization to conduct business in this State by filing the appropriate documents with the State of New Jersey Department of the Treasury, Division of Revenue and Enterprise Services.

#### 19:31T-1.3 Eligibility criteria

(a) [A taxpayer] **An applicant** shall be eligible for the program for film tax credits if the Authority finds that:

1. {The [taxpayer] **applicant** will incur after} ***After*** July 1, 2018[, at]:

- i. At least 60 percent of the ***applicant's*** total film production expenses, exclusive of post-production costs, ***are incurred in New Jersey*** for services performed, and goods purchased, through vendors authorized to do business in New Jersey, **including wages and salaries **and other compensation** [or the]; {or} or**
- ii. The qualified film production expenses of the [taxpayer] **applicant** during **at least one privilege period or taxable year *incurred in New Jersey*** for services performed, and goods purchased, through vendors authorized to do business

in New Jersey, including **qualified [wages] wage and [salaries] salary payments**, exceed \$1,000,000 per production; **[or]**

**iii. For reality shows with completed applications submitted on or before June 30, 2025, at least 60 percent of the applicant's total film production expenses, exclusive of post-production costs, are incurred in New Jersey for services performed, and goods purchased through vendors authorized to do business in New Jersey, including wages and salaries, and the qualified film production expenses of the applicant during at least one privilege period or taxable year incurred in New Jersey for services performed, and goods purchased, through vendors authorized to do business in New Jersey, including **qualified [wages] wage and [salaries] salary payments**, exceed \$1,000,000 per production; or**

**iv. For reality shows with completed applications submitted after June 30, 2025, either i. or ii above.**

2. The principal photography of the film commences within [the earlier of]180 days from the date of the completed application for the tax credit[, or 150 days from the date of the initial approval of the application pursuant to N.J.A.C. 19:31-21.7(a) for the tax credit];

3. The film includes, when determined to be appropriate by the Commission, taking into account factors including, but not limited to, the budget and audience of the film, at no cost to the State, marketing materials promoting this State as a film and entertainment production destination, which materials shall include placement of a "Filmed in New Jersey" or "Produced in New Jersey" statement, or an appropriate logo approved by the Commission, in the end credits of the film;

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4. The [taxpayer] **applicant** submits a tax credit verification report prepared by an independent certified public accountant licensed in this State in accordance with N.J.A.C. 19:31T-  
{1.7(c)2} ***1.7(c)4***; [and]

5. The [taxpayer] **applicant** complies with the withholding requirements provided for payments to loan out companies, [and] independent contractors, **and any homeowner** in accordance with (c) below[.];

**6. At least one principal photography day is shot in New Jersey; [and]**

**7. For a studio partner or film-lease production company, the principal photography of the film commenced after the designation of the studio partner or the corresponding film-lease partner facility[.]; and**

**8. For a film-lease production company that was designated as a studio partner, the principal photography of the film commenced before the designation of the corresponding film-lease partner facility:**

**i. if applicable, the principal photography of the film commenced after the designation as a studio partner and the date of the required agreement in subparagraph (a)(2)(ii) in the definition of film-lease production company; and**

**ii. if the studio partner otherwise satisfies the requirements of a film-lease production company.**

(b) [A taxpayer]**An applicant** shall be eligible for the program for digital media tax credits if the Authority finds that{:



1. The} *the* [taxpayer] **applicant** will incur qualified digital media content production expenses during a privilege period or taxable year, provided that:

*1. After July 1, 2018:*

i. At least \$ 2,000,000 of the total digital media content production expenses of the [taxpayer] **applicant** are incurred *in New Jersey* for services performed, and goods purchased, through vendors authorized to do business in New Jersey, **including wages and salaries; provided, however, for the purposes of eligibility, for applications submitted after July 10, 2024, qualified wage and salary payments made to full-time employees working on digital media shall not be deemed an expense incurred for services performed. {ii. At} *In addition, at least 50 percent of the qualified digital media content production expenses of the [taxpayer] applicant are for [wages] **qualified wage** and [salaries] **salary payments** paid to full-time or full-time equivalent employees in New Jersey; {and}***

***ii. For completed applications submitted after June 30, 2025, a[A]t least \$500,000 of the qualified digital media content production expenses of the applicant are incurred in New Jersey for post-production **costs [services], including visual effects services[,]** performed:***

***(1) at a film-lease **partner** facility:***

***(A) by a film-lease post-production company. If the qualified media content production expenses are incurred after the issuance of a temporary certificate of occupancy for the production facility, then the qualified media***

content production expenses must be incurred during the term of the occupancy at the film-lease partner facility. For purposes of satisfying the requirements of this subparagraph ii., a film-lease post-production company may include in an application only the qualified digital media content production expenses incurred for post-production, including, but not limited to, visual effects activities that are performed by the film-lease post-production company or by a business entity in which the film-lease post-production company has an ownership interest of at least 51 percent; *or*

**(B)** *by a studio partner; or*

**(2) [iii.]** *[At least \$500,000 of the qualified digital media content production expenses of the applicant are incurred in New Jersey for post-production services, including visual effects services, performed]* **by a taxpayer that is a qualified post-production company[,], which may include qualified digital media content production expenses incurred for post-production, including visual effects activities performed by a business entity in which the qualified post-production company has an ownership interest of at least 51 percent.**

{iii.} 2. The [taxpayer] **applicant** submits a tax credit verification report prepared by an independent certified public accountant licensed in this State in accordance with N.J.A.C. 19:31T-1.7(c)4; and

{2.} 3. The [taxpayer] **applicant** complies with the withholding requirements provided for payments to loan out companies and independent contractors in accordance with (c) below.

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(c) [A taxpayer] **An approved applicant** shall withhold, **or shall have withheld**, from each payment to a loan out company, [or] to an independent contractor, **or, for an applicant for a film tax credit, to a homeowner for the use of a personal residence**, an amount equal to 6.37 percent of the payment otherwise due. The amounts withheld shall be deemed to be withholding of liability pursuant to **the New Jersey Gross Income Tax Act**, N.J.S.A. 54A:1-1 et seq., and the [taxpayer] **approved applicant** shall be deemed to have the rights, duties, and responsibilities of an employer pursuant to {chapter} ***Chapter*** 7 of Title 54A of the New Jersey Statutes. The director shall allocate the amounts withheld for a taxable year to the accounts of the individuals who are employees of a loan out company in proportion to the employee's payment by the loan out company in connection with a trade, profession, or occupation carried on in this State or for the rendition of personal services performed in this State during the taxable year. A loan out company that reports its payments to employees in connection with a trade, profession, or occupation carried on in this State or for the rendition of personal services performed in this State during a taxable year shall be relieved of its duties and responsibilities as an employer pursuant to {chapter} ***Chapter*** 7 of Title 54A of the New Jersey Statutes for the taxable year for any payments relating to the payments on which the [taxpayer] **approved applicant** withheld. *Notwithstanding any provision of this section to the contrary, qualified film production expenses and qualified digital media content production expenses shall include any payments made by the approved applicant to a loan out company for services performed in New Jersey by individuals who are employees of the loan out company and whose wages and salaries **and other compensation** are subject to withholding,*

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*but not subject to tax pursuant to the New Jersey Gross Income Tax Act, N.J.S.A. 54A:1-1 et seq., due to the provisions of a reciprocity agreement with another state.*

(d) For any applicant applying to be designated as a studio partner, the applicant shall be eligible if the applicant demonstrates to the Authority that the applicant meets the definition of a studio partner for purposes of designation and that it shall satisfy the conditions of approval at N.J.A.C. 19:31T-1.8{(f)}(e) within the prescribed time. No more than three film production companies may be designated as a studio partner.

(e) For any applicant applying to be designated as a film-lease partner facility, the applicant shall be eligible if the applicant demonstrates to the Authority that the applicant meets the definition of a film-lease partner facility and that it shall satisfy the conditions of approval at N.J.A.C. 19:31T-1.8{(f)}(e) within the prescribed time.

1. Except for a production facility, or portion thereof, owned, built, leased, or operated by a film production company designated as a studio partner by the Authority on or before January 3, 2024, in order for a production facility to be designated as a film-lease partner facility, the owner or developer shall accept the acquisition by the Authority, at the Authority's discretion, of equity in the production facility, on commercially reasonable and customary terms and conditions determined by the Authority and the film-lease partner facility and on the condition that the Authority{'s'} may require the applicant to redeem the investment if the **approved** applicant is not compliant with the program. The Authority may, at its discretion, accept the offer to purchase the shares of stock by the film-lease partner facility or any other investor in lieu of redemption.

2. No more than three New Jersey production facilities may be designated as a film-lease partner facility; provided, however, this limitation shall not apply to production facilities, or portions thereof, owned, built, leased, or operated by a film production company designated as a studio partner.

(f) For any applicant applying to produce a reality show, the applicant will be eligible for the program if the Authority finds the applicant meets the requirements set forth at (a) above and demonstrates to the Authority that the applicant's production meets the definition of a reality show and meets the requirements for reality show productions set forth in the definition of a film.

(g) For two or more buildings to qualify as a production facility, the buildings must be proximate to each other. Proximate buildings shall include, but not be limited to, buildings that are adjacent to each other or across a single public right-of-way from each other. The following are examples of buildings that are proximate:

1. A production facility consists of building A and building B, which are both on the same block, but separated by other buildings.

2. A production facility consists of building A and building B, which are adjacent to each other, but have separate entrances.

3. A production facility consists of building A and building B, which are located in an industrial park and are separated solely by a parking lot.

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#### 19:31T-1.4 Application submission requirements

(a) A completed application for film tax credits shall include [, but not be limited to, the following]:

1. A preliminary budget for the film project with a breakout of projected costs, including pre-production costs and post-production costs;

2. A breakout of projected total film production expenses, excluding pre-production costs, to be incurred, pursuant to N.J.A.C. 19:31T-1.3{(a)1}, for services performed and goods purchased through vendors authorized to do business in New Jersey;

3. A breakout of projected qualified film production expenses, pursuant to N.J.A.C. 19:31T-1.3{(a)2}, in New Jersey;

4. [A] **For applications filed before July 2, 2021 (the effective date of P.L. 2021, c. 160), a breakout of projected costs, including pre-production and post-production costs, to be incurred, pursuant to N.J.A.C. 19:31T-1.6{(h)2 or 3}{(a)1}, for services performed and tangible personal property purchased through a vendor whose primary place of business is located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer, or Salem County; and for applications filed on or after July 2, 2021 (the effective date of P.L. 2021, c. 367), a breakout of projected costs, including pre-production and post-production costs, to be incurred, pursuant to N.J.A.C. 19:31T-1.6(a){2}4 for services performed and tangible personal property purchased for use at a sound stage or other location that is located in the**

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**State within a 30-mile radius of the intersection of Eighth Avenue/Central Park West, Broadway, and West 59th Street/Central Park South, New York, New York;**

5. A description of the **film** project, which must include:

- i. A plot summary;
- ii. The genre and subject matter;
- iii. The anticipated film rating, if applicable;
- iv. The names of principals and actors; and
- v. The location(s) for filming;

6. The filming schedule;

7. The anticipated or actual dates of commencement and completion of principal photography and total film production expenses;

[8. An election by the taxpayer as to whether the tax credit will be based on total film production expenses, exclusive of post-production costs, or on qualified film expenses during a privilege period or taxable year, that exceed \$1,000,000 per production;]

[9.] **8.** {If the applicant is a partnership or limited liability company, a} *A* list of members or owners {applying for a tax credit [under] **pursuant to** this program} *of the applicant*, including the percentage of ownership interest of each;

[10.] **9.** If the applicant intends to participate in the bonus amount of tax credit for a plan pursuant to N.J.A.C. 19:31T-1.6[(l)1](**o**)**3 or 4**, satisfaction of the requirements [under] [**pursuant** to N.J.A.C. 19:31T-1.6i [through], **ii, iii, and iv**] **in the respective section**; {and for the increased

bonus amount of tax credits pursuant to N.J.A.C. 19:31T-1.6(l)2, satisfaction of the requirements at N.J.A.C. 19:31T-1.6(l)2i, ii, and iii[.]; and} ;

[11.] 10. If the film production involves an eligible reality show{,}:

*i. For applications submitted prior to the effective date of P.L. 2024, c. 33 (July 10, 2024), a description of the capital investment, which shall be no less than \$ 3,000,000, and a description of the production facility, which shall be no less than 20,000 square feet of real property, respectively, within a designated enterprise zone established pursuant to the New Jersey Urban Enterprise Zones Act, N.J.S.A. 52:27H-60 et seq., or a UEZ-impacted business district established pursuant to N.J.S.A. 52:27H-66.2[.], and an executed letter of interest, lease, sublease, deed, or purchase contract; and*

*ii. For applications submitted on or after the effective date of P.L. 2024, c. 33 (July 10, 2024),| evidence that a major linear network or streaming service has commissioned or ordered a minimum of six episodes, or four episodes for completed applications submitted after June 30, 2025, and has scheduled the reality show to premiere.*

{11. A completed legal questionnaire disclosing all relevant legal matters in accordance with the Authority debarment and disqualification rules at N.J.A.C. 19:30-2;

12. Submission of a tax clearance certificate;}

{13.} 11. A list of all the development subsidies, as defined at N.J.S.A. 52:39-1 et seq., that the {developer} applicant is requesting or receiving, the name of the granting body, the



value of each development subsidy, and the aggregate value of all development subsidies requested or received;

**{14.} 12. If the applicant is seeking a film tax credit as a studio partner:**

**i. A certification from the *film production company designated as a studio partner* that it remains eligible as a studio partner; and**

**ii. If the applicant is not the designated studio partner, one of the following:**

**(1) Written verification that the applicant is a member of the studio partner's group pursuant to N.J.S.A. 54:10A-4.11; or**

**{(2) For "works made for hire" for the studio partner:**

**(A) Documentation evidencing that the applicant is principally engaged in the production of film and other commercial audiovisual product;**

**(B) An executed contract with the studio partner to perform film production services for the film on the studio partner's behalf, such that the studio partner controls the film or product during preproduction, production, and post-production and all results and proceeds of such services constitute, from the moment of creation, "works made for hire" for the studio partner pursuant to the provisions of the Federal Copyright Act of 1976, 17 U.S.C. §§ 101 et seq.; and**

(C) Opinion of counsel that the executed contract with the studio partner satisfies the criteria at (a)14ii(2)(B) above;}

*(2) If the applicant is an entity unrelated to the studio partner and is principally engaged in the production of the film that is the subject of the application with whom a designated studio partner contracts to perform film production services on its behalf or for its benefit, written consent from the studio partner for the unrelated entity to apply for tax credits and a copy of the production services agreement with the designated studio partner, for which the designated studio partner contracted with the applicant prior to qualified film production expenses being incurred and after the designation of the studio partner, evidencing that the designated studio partner:*

*(A) Controls such film during pre-production, production, and post-production; or*

*(B) Controls global distribution rights for the resulting film[, provided that the studio partner contracted with the unrelated entity prior to qualified film production expenses being incurred and after the designated studio partner was approved for such designation by the Authority];*

15.} 13. If the applicant is seeking a film tax credit [as a film-lease production company] on the basis of a film-lease partner facility designation:

- i. A certification from the film-lease partner facility that it remains eligible as a film-lease partner facility;
- ii. {Filming} *If the applicant is seeking a film tax credit pursuant to paragraph (a)1i in the definition of New Jersey film-lease production company, the filming schedule including all locations in and out of the State of New Jersey and an executed lease, sublease, license, or letter of intent to occupy production space in a film-lease partner facility during the required principal photography shoot days at the facility. The sublease, license, or letter of intent can be obtained from a tenant or subtenant of the film-lease partner facility;*
- {iii. An executed lease, license, or letter of intent to occupy production space in a film-lease partner facility during the required principal photography shoot days at the facility; and}
- iii. *If the applicant is seeking a film tax credit pursuant to paragraph (a)1ii in the definition of New Jersey film-lease production company, a detailed budget demonstrating that the applicant meets the requirements of that section and an executed lease, sublease, license, or letter of intent to occupy production space in a film-lease partner facility during the time of the required qualified film production expenses at, or for the use of, the film-lease partner facility;*
- iv. *If the applicant is seeking a film tax credit pursuant to paragraph (a)2 in the definition of New Jersey film-lease production company, the lease or sublease for the film-lease partner facility and the contract with the owner or developer of the*

*film-lease partner facility required in that section, which contract shall be dated prior to incurring qualified film production expenses; [and]*

{iv.} vi. If the applicant is not the film-lease production company **tenant**, one of the following:

(1) Written verification that the applicant is a member of the film-lease production company **tenant**'s combined group;

(2) Any documentation evidencing the film-lease production company **tenant**'s ownership interest in the applicant and:

**A. evidence of the film-lease production company tenant's control of at least one applicant board of directors' position or other management responsibilities; or**

**B. any agreement evidencing the film-lease production company tenant's operational role in the film production that is the subject of the application; or**

**[(3) For "works made for hire" for the film-lease production company:**

(A) Documentation evidencing that the applicant is principally engaged in the production of film and other commercial audiovisual product;

(B) An executed contract with the film-lease production company to perform film production services for the film on the film-lease production company's behalf such that the designated

film-lease production company controls the film or product during pre-production, production, and post-production, and all results and proceeds of such services constitute, from the moment of creation, "works made for hire" for the New Jersey studio partner pursuant to the provisions of the Federal Copyright Act of 1976, 17 U.S.C. §§ 101 et seq.; and

(C) Opinion of counsel that the executed contract with the {studio partner} *film-lease production company* satisfies the criteria at {(a)14ii(3)(B)} (a)13v(3)(B) above; and]

**(3) If the applicant is an entity unrelated to the film-lease production company tenant and is principally engaged in the production of the film that is the subject of the application with whom the film-lease production company tenant contracts to perform film production services on its behalf, written consent from the film-lease production company tenant for the applicant to apply for tax credits and a copy of the production services agreement with the film-lease production company tenant, for which the film-lease production company tenant contracted with the applicant prior to qualified film production expenses being incurred and after the film-lease production company tenant satisfies all of the requirements in the definition of film-lease**

**production company, and which evidences that the film-lease**

**production company tenant:**

**A. controls such film during pre-production, production, and**

**post-production; or**

**B. controls global distribution rights for the resulting film.**

**{16.} 14. Any other necessary and relevant information as determined by the Authority for a specific application.**

**(b) A completed application to be designated as a studio partner shall include:**

**1. An executed deed, lease, sublease, or purchase contract for the production facility, or letter of intent with a governmental authority for the purchase of property for the purpose of developing a production facility. The executed lease or sublease shall have a term that extends for the commitment period based on the anticipated commencement of the commitment period;**

**2. A detailed floor plan or, if the production facility comprises multiple buildings, a site plan, indicating the uses of each area, the total square footage of the production facility, and the square footage of any backlot;**

**3. Evidence, including, but not limited to, a certification, that the applicant has made a commitment to produce films or commercial audiovisual products in New Jersey;**

**4. Except for an applicant that will execute a purchase contract with a governmental authority, preliminary site plan approval or temporary certificate(s) of occupancy for the production facility, an adopted redevelopment plan by a municipality or municipalities**

which contemplates the development of the production facility, or an executed redevelopment agreement with a municipality or municipalities for the development of the production facility; *and*

{5. A completed legal questionnaire disclosing all relevant legal matters in accordance with the Authority debarment and disqualification rules at N.J.A.C. 19:30-2;

6. Submission of a tax clearance certificate; and}

{7.} 5. Any other necessary and relevant information as determined by the Authority for a specific application.

(c) A completed application to be designated as a film-lease partner facility shall include:

1. An executed lease, sublease, deed, or purchase contract for the production facility.

The executed lease or sublease shall have a term that extends for the minimum five-year period;

2. A detailed floor plan or, if the production facility comprises multiple buildings, a site plan, indicating the uses of each area, the total square footage of the production facility and the square footage of any backlot;

3. Preliminary site plan approval or temporary certificate(s) of occupancy for the production facility, an adopted redevelopment plan by a municipality or municipalities which contemplates the development of the production facility, or an executed redevelopment agreement with a municipality or municipalities for the development of the production facility;

4. Written acceptance by the applicant of the acquisition by the Authority, at the Authority's discretion, of equity in the production facility, on commercially reasonable and customary terms and conditions determined by the Authority and the film-lease partner facility; *and*

{5. A completed legal questionnaire disclosing all relevant legal matters in accordance with the Authority debarment and disqualification rules at N.J.A.C. 19:30-2;

6. Submission of a tax clearance certificate; and}

{7.} 5. Any other necessary and relevant information as determined by the Authority for a specific application.

[(b)] (d) A completed application for digital media tax credits shall include[, but not be limited to, the following]:

1. A preliminary or actual budget demonstrating **the minimum required** [at least \$2,000,000 of] total ***and qualified*** digital media content production expenses [incurred for services performed and goods purchased through vendors authorized to do business in New Jersey] pursuant to N.J.A.C. 19:31T-1.3(b)1i, ii, or iii;

2. *If the applicant is applying on the basis of services performed by a qualified [independent] post-production company, the ownership structure of the company and any other evidence that the company meets the definition of a qualified [independent] post-production company during the time in which the qualified digital media content production expenses were incurred;*



{2.} 3. If applicable pursuant to N.J.A.C. 19:31T-~~{1.6(b)1i or 2i}~~ **1.6(b)2i or 3i**, a breakout of qualified digital media expenses for services performed and tangible personal property purchased through a vendor whose primary place of business is located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer, or Salem County;

[2.] {3.} 4. A breakout of projected digital media content production expenses for wages and salaries **and other compensation** paid to full-time or full-time equivalent employees in New Jersey;

[3.] {4.} 5. The total number of current full-time or full-time equivalent digital media employees, plans for anticipated new full-time or full-time equivalent employees, and current non-digital media full-time or full-time equivalent employees;

[4.] {5.} 6. A **detailed** description of the [project, which must include an overall summary of] digital media content; [and]

{6.} 7. If the digital media content relates to any film, a list of all such films;

[5.] {7.} 8. If the applicant intends to participate in the bonus amount of tax credit for a [diversity] plan pursuant to N.J.A.C. 19:31T-1.6[(l)1]**(o)3 or 4**, satisfaction of the requirements [under] **[pursuant to N.J.A.C. 19:31T-1.6i [through], ii, iii, and iv] in the respective section;** {and for the increased bonus amount of tax credits pursuant to N.J.A.C. 19:31T-1.6(l)2, satisfaction of the requirements at N.J.A.C. 19:31T-1.6(l)2i, ii, and iii[.]; and}

9. *A list of all the development subsidies, as defined at N.J.S.A. 52:39-1 et seq., that the [developer] **applicant** is requesting or receiving, the name of the granting body, the value of*

*each development subsidy, and the aggregate value of all development subsidies requested or received; [and]*

**10. If the applicant is seeking a digital media tax credit on the basis of a film-lease partner facility designation:**

- i. A certification from the film-lease partner facility that it remains eligible as a film-lease partner facility;**
- ii. If the applicant is seeking a digital media tax credit as a film-lease post-production company, an executed lease, sublease, license, or letter of intent to occupy production space in a film-lease partner facility. The sublease, license, or letter of intent can be obtained from a tenant or subtenant of the film-lease partner facility; and**
- iii. If the applicant is not the[a] film-lease post-production company tenant, one of the following:**
  - (1) Written verification that the applicant is a member of the film-lease post-production company tenant's combined group; or**
  - (2) Any documentation evidencing the film-lease post-production company tenant's ownership interest in the applicant and any agreement evidencing the film-lease post-production company's operational role in the film production that is the subject of the application;**

**11. For film-lease post-production companies and qualified post-production companies, a list of films for which post-production costs are incurred and a description of how each film satisfies the definition of film; and[.]**

**{8.} [10]12.** Any other necessary and relevant information as determined by the Authority for a specific application.

*(e) For all applicants, a completed application shall also require:*

*1. A completed legal questionnaire disclosing all relevant legal matters in accordance with the Authority debarment and disqualification rules at N.J.A.C. 19:30-2.1 through 2.7; and*

*2. Submission of a tax clearance certificate.*

19:31T-1.5 Fees

**(a)** A non-refundable fee shall accompany every application [for tax credits], as follows:

**1.** For [projects] **applications** with total [tax credits] **qualified film production expenses or digital media production expenses** of \$1,000,000 or less, the fee to be charged at application shall be [\$500.00] **\$100.00**; [and]

**2.** For [projects] **applications** with total **qualified film production expenses or digital media production expenses** of \$1,000,000, **but less than \$6,000,000**, the fee to be charged at application shall be [\$2,500.] **\$250.00**;

**3.** For **applications with total qualified film production expenses or digital media production expenses** of \$6,000,000, **but less than \$15,000,000**, the fee to be charged at application shall be **\$2,000**;

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4. For applications with total qualified film production expenses or digital media production expenses of \$15,000,000, but less than \$30,000,000, the fee to be charged at application shall be \$5,000;

5. For applications with total qualified film production expenses or digital media production expenses of \$30,000,000 or more, the fee to be charged at application shall be \$10,000;

6. For applications to be designated as a studio partner, the fee to be charged at application shall be \$10,000; and

7. For applications to be designated as a film-lease partner facility, the fee to be charged at application shall be \$5,000.

(b) A non-refundable fee shall be paid prior to the approval of the application by the Authority as follows, except that the fee shall be refunded if the Authority does not approve the credit:

1. For applications with total qualified film production expenses or digital media production expenses of less than \$1,000,000, the fee to be charged prior to approval shall be \$100.00;

2. For applications with total qualified film production expenses or digital media production expenses of \$1,000,000, but less than \$6,000,000, the fee to be charged prior to approval shall be \$500.00;

3. For applications with total qualified film production expenses or digital media production expenses of \$6,000,000, but less than \$15,000,000, the fee to be charged prior to approval shall be \$5,000;

4. For applications with total qualified film production expenses or digital media production expenses of \$15,000,000, but less than \$30,000,000, the fee to be charged prior to approval shall be \$12,000;

5. For applications with total qualified film production expenses or digital media production expenses of \$30,000,000 or more, the fee to be charged prior to approval shall be \$25,000;

6. For applications to be designated as a studio partner, the fee to be charged prior to approval shall be \$50,000; and

7. For applications to be designated as a film-lease partner facility, the fee to be charged prior to approval shall be \$50,000.

[(b)] (c) A non-refundable fee [of 0.5 percent of the approved tax credit amount] shall be paid to the Authority prior to the receipt of the tax credit[.] as follows:

1. For approved applicants with total qualified film production expenses or digital media production expenses of less than \$1,000,000, the fee to be charged shall be \$100.00;

2. For approved applicants with total qualified film production expenses or digital media production expenses of \$1,000,000, but less than \$6,000,000, the fee to be charged shall be \$500.00;

3. For approved applicants with total qualified film production expenses or digital media production expenses of \$6,000,000, but less than \$15,000,000, the fee to be charged shall be \$5,000;

4. For approved applicants with total qualified film production expenses or digital media production expenses of \$15,000,000, but less than \$30,000,000, the fee to be charged shall be \$12,000; and

5. For approved applicants with total qualified film production expenses or digital media production expenses of \$30,000,000 or more, the fee to be charged shall be \$25,000.

[(c)] (d) A non-refundable fee [of \$1,000] shall be paid to the Authority upon application for a tax credit transfer certificate pursuant to N.J.A.C. 19:31T-1.10 as follows:

1. For approved applicants with total qualified film production expenses or digital media production expenses of less than \$1,000,000, the fee to be charged shall be \$1,000; and

2. For approved applicants with total qualified film production expenses or digital media production expenses of \$1,000,000 or greater, the fee to be charged shall be \$5,000.

(e) A studio partner or a film-lease production facility shall pay to the Authority a non-refundable fee of \$5,000 for the first six-month extension and \$7,500 for each subsequent extension to the date the temporary certification of occupancy for the production facility is due pursuant to N.J.A.C. 19:31T-1.8(e)**[3]4.**

(f) A studio partner or a film-lease production facility shall pay to the Authority a non-refundable fee of \$5,000 for each request for any minor administrative changes, additions, or modifications and \$10,000 for each request for any major administrative changes,

**additions, or modifications, such as those requiring extensive staff time and Board approval, to the designation as a studio partner or a film-lease production facility.**

[(d)] (g) The full amount of direct costs of [any analysis] **due diligence, including, but not limited to, debarment/disqualification reviews or other analyses** by a third-party retained by the Authority, if the Authority deems such retention to be necessary, shall be paid by the applicant.

19:31T-1.6 Tax credit amounts; amount; carryforward of tax credits

(a) [A taxpayer] **An approved applicant**, upon final approval of an application to the Authority and the Director for film tax credits pursuant to N.J.A.C. 19:31T-1.7(e), shall be allowed a credit against the tax imposed pursuant to N.J.S.A. 54:10A-5 or the tax otherwise due for the taxable year [under] **pursuant to N.J.S.A. 54A:1-1 et seq., [in an amount equal to 30 percent of the qualified film production expenses of the taxpayer, which tax credit may be applied for a privilege period or taxable year commencing on or after July 1, 2018, but before July 1, 2023]** **[corresponding to the tax credit vintage year, which shall be a privilege period or taxable year commencing on or after July 1, 2018, but before July 1, 2039,]** in an amount equal to:

1. For *completed* applications received prior to July 2, 2021, 35 percent of the qualified film production expenses of the approved applicant during a privilege period or taxable year that are incurred for services performed and tangible personal property purchased through vendors whose primary place of business is located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer, or Salem County.

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2. For *completed* applications received prior to January 7, 2021, 30 percent of the qualified film production expenses not included at (a)1 above, *including qualified wage and salary payments*.

3. For *completed* applications received on or after January 7, 2021, and prior to July 2, 2021, 35 percent of the qualified film production expenses of the approved applicant during a privilege period or taxable year.

4. For *completed* applications received on or after July 2, 2021, the following percent of the qualified film production expenses of the approved applicant during a privilege period or taxable year:

i. For such expenses that are incurred for services performed and tangible personal property purchased for use at a sound stage or other location that is located in the State within a 30-mile radius of the intersection of Eighth Avenue/Central Park West, Broadway, and West 59th Street/Central Park South, New York, New York:

(1) For *completed* applications received after July 6, 2023 **and on or before June 30, 2025**, 35 percent for applications from film-lease production companies and studio partners; **[and]**

**(2) For completed applications received after June 30, 2025, 40 percent for applications from studio partners and 35 percent for applications from film-lease production companies; and**

**[(2)] (3) For all other *completed* applications, 30 percent.**



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ii. For all other expenses, *including qualified wage and salary payments:*

(1) For *completed* applications received after July 6, 2023, 40 percent for applications from film-lease production companies and studio partners; and

(2) For all other *completed* applications, 35 percent.

{5. For purposes of this subsection, wages, salaries, and other compensation shall be considered Statewide expenses.}

(b) [A taxpayer] **An approved applicant**, upon final approval of an application to the Authority and the Director for digital media tax credits pursuant to N.J.A.C. 19:31T-1.7[(d)](e), shall be allowed a credit against the tax imposed pursuant to N.J.S.A. 54:10A-5 or the tax otherwise due for the taxable year [under] **pursuant to N.J.S.A. 54A:1-1 et seq., [corresponding to the tax credit vintage year, which shall be a privilege period or taxable year commencing on or after July 1, 2018, but before July 1, 2039]** in an amount equal to [20 percent of the qualified digital media content production expenses of the taxpayer which tax credit may be applied for a privilege period or taxable year commencing on or after July 1, 2018, but before July 1, 2023.]:

1. *For completed applications received on or after July 10, 2024:*

i. *Forty percent of the qualified digital media content production expenses of the approved applicant during a privilege period or taxable year that are incurred in New Jersey for post-production [services] costs, including visual effects services, performed at a film-lease partner facility, that are incurred by a film-lease post-production company, or are incurred by a studio partner; and*

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*ii. Thirty-five percent of the qualified digital media content production expenses of the approved applicant during a privilege period or taxable year that are incurred in New Jersey for post-production [services] costs, including visual effects services, and for which post-production [services] costs are performed by a qualified [independent] post-production company.*

*{1.} 2. For completed applications received prior to January 12, 2022:*

*i. Twenty-five percent of the qualified digital media content production expenses of the approved applicant during a privilege period or taxable year that are incurred for services performed and tangible personal property purchased through vendors whose primary place of business is located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer, or Salem County{.}; and*

*ii. Twenty percent of the qualified digital media content production expenses during a privilege period or taxable year of the approved applicant not included at {(b)1i} (b)2i above, including qualified wage and salary payments.*

*{2.} 3. For completed applications received on or after January 12, 2022[, but prior to July 10, 2024]:*

*i. Thirty-five percent of the qualified digital media content production expenses of the approved applicant during a privilege period or taxable year that are incurred for services performed and tangible personal property purchased through vendors whose primary place of business is located in*

Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer,  
or Salem County~~{.}~~; *and*

ii. Thirty percent of the qualified digital media content production expenses during a privilege period or taxable year of the approved applicant not included at ~~{(b)2i}~~ *(b)3i* above, *including qualified wage and salary payments.*

~~{3. For purposes of this subsection, wages, salaries, and other compensation shall be considered Statewide expenses pursuant to (b)1ii and 2ii above.}~~

**(c) The Authority shall calculate the amount of qualified film production expenses in the following order:**

- i. the amount without any expenses available to a studio partner or film-lease production company;**
- ii. any allowed amount of total production insurance premium fees, total out-of-State producer fees, and total intellectual property right fees as set forth in in subparagraph (b) of the definition of "Qualified film production expenses" in N.J.A.C. 19:31T-1.2;**
- iii. Any allowed amount for total script costs of any script written outside New Jersey as set forth in in subparagraphs (b) and (c) of the definition of "Qualified film production expenses" in N.J.A.C. 19:31T-1.2;**
- iv. Any deferred compensation that results in qualified wage and salary payments equal to or less than the cap for highly compensated individuals; and**

**v. any amount of qualified wage and salary payments paid to highly compensated individuals above the cap on qualified wages and salary payments and script costs and deferred compensation additionally allowed as set forth in subparagraph (g) of the definition of "Qualified film production expenses" in N.J.A.C. 19:31T-1.2.**

**[(c)](d)** No tax credit shall be allowed pursuant to this subchapter for any costs or expenses included in the calculation of any other tax credit or exemption granted pursuant to a claim made on a tax return filed with the Director, or included in the calculation of an award of business assistance or incentive, for a period of time that coincides with the privilege period or taxable year for which a tax credit authorized pursuant to this subchapter is allowed. **No tax credit shall be allowed for expenses in an application if it has already been included in the calculation of an award pursuant to (a) or (b) above.**

**(e) For completed applications submitted on or before June 30, 2025, an approved applicant shall be allowed a tax credit as set forth in (a) and (b) above corresponding to the tax credit vintage year, which shall be a privilege period or taxable year commencing on or after July 1, 2018, but before July 1, 2049.**

**(f) For completed applications submitted after June 30, 2025, a credit issued to an approved applicant or the purchaser or assignee of a tax credit transfer certificate, may first be taken by the tax certificate holder for the tax period for which it was issued, for the tax period in which it was issued, or in any tax period during the time an approved applicant is required to maintain the film project or digital media content project at a location in this State, subject to the carryforward provisions of this section.**

**[(d)](g)** A business that is not a "taxpayer" as defined and used in **the Corporation Business Tax Act**, N.J.S.A. 54:10A-1 et seq., and, therefore, is not directly allowed a credit [under] **pursuant to** this subchapter, but is a business entity that is classified as a partnership for Federal income tax purposes and is ultimately owned by a business entity that is a "corporation" as defined [in] **at** N.J.S.A. 54:10A-4**c**, or a limited liability company formed [under] **pursuant to** the Revised Uniform Limited Liability Company Act, N.J.S.A. 42:2C-1 et seq., or qualified to do business in this State as a foreign limited liability company, with one member, and is wholly owned by the business entity that is a "corporation" as defined [in] **at** N.J.S.A. 54:10A-4**c**, but otherwise meets all other requirements of this subchapter, shall be considered an eligible applicant [and "taxpayer" as that term is used in this section] **pursuant to this program.**

**[(e)](h)** A business entity that is not a gross income "taxpayer" as defined and used [in] **at** N.J.S.A. 54A:1-1 et seq., and, therefore, is not directly allowed a credit [under] **pursuant to** this subchapter, but otherwise meets all the other requirements of this subchapter, shall be considered an eligible applicant [and "taxpayer" as that term is used in this section] **pursuant to this program**, and the application of an otherwise allowed credit amount shall be distributed to appropriate gross income taxpayers pursuant to the other requirements of this subchapter.

**[(f)](i)** A business entity that is classified as a partnership for Federal income tax purpose shall not be allowed a tax credit pursuant to this section directly, but the amount of the tax credit of a **gross income** taxpayer in respect of a distributive share of entity income shall be determined by allocating to the **gross income** taxpayer that proportion of the tax credit acquired by the entity that is equal to the **gross income** taxpayer's share, whether or not distributed, of the total distributive

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income or gain of the entity for its taxable year ending within or with the **gross income** taxpayer's taxable year.

**[(g)](j)** A New Jersey S Corporation shall not be allowed a tax credit pursuant to this [section] **subchapter** directly, but the amount of tax credit of a **gross income** taxpayer in respect of a pro rata share of S Corporation income, shall be determined by allocating to the **gross income** taxpayer that proportion of the tax credit acquired by the New Jersey S Corporation that is equal to the **gross income** taxpayer's share, whether or not distributed, of the total pro rata share of S Corporation income of the New Jersey S Corporation for its privilege period ending with the **gross income** taxpayer's taxable year.

**[(h)](k)** The order of priority in which the tax credit allowed by this section and any other credits allowed by law may be taken, shall be as prescribed by the Director.

**[(i)](l)** The amount of the tax credit applied [under] **pursuant to** this section against the tax imposed pursuant to N.J.S.A. 54:10A-5, for a privilege period, when taken together with any other payments, credits, deductions, and adjustments allowed by law shall not reduce the tax liability of the **corporate business** taxpayer to an amount less than the statutory minimum provided [in] **at** N.J.S.A. 54:10A-5.

**[(j)](m)** The amount of the tax credit applied [under] **pursuant to** this section against the tax otherwise due [under] **pursuant to** N.J.S.A. 54A:1-1 et seq., for a taxable year, when taken together with any other payments, credits, deductions, and adjustments allowed by law shall not reduce the tax liability of the **gross income** taxpayer to an amount less than zero.

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**[(k)](n)** The amount of tax credit otherwise allowable [under] **pursuant to** this section that cannot be applied for the taxable year due to the limitations of this subsection or [under] **pursuant to** other provisions [of] **at** N.J.S.A. 54:10A-1 et seq., or 54A:1-1 et seq., may be carried forward, if necessary, to the seven privilege periods or taxable years following the privilege period or taxable year for which the credit was allowed.

**[(l)](o)** Notwithstanding any limit [in] **at (a) or (b)** above, the tax credits awarded may be increased pursuant to the following:

**1. For completed applications submitted on or before June 30, 2025,** [A taxpayer] **an approved applicant** shall be allowed an increase in the tax credit against the tax imposed pursuant to N.J.S.A. 54:10A-5, **or pursuant to the New Jersey Gross Income Tax Act, N.J.S.A. 54A:1-1 et seq.,** in an amount equal to two percent of the qualified film *production expenses or the qualified digital media content production expenses.*

**[2.] For completed applications submitted on or after July 10, 2024, but on or before June 30, 2025, an increase of four percent of the qualified** digital media content production expenses{, provided that} *shall be allowed. In all cases,* the application {is} *shall be* accompanied by a diversity plan, outlining, *in relation to the total film production expenses or total digital media content production expenses:*

- i. The intention to prioritize the hiring of minority persons and women in an amount of not less than 15 percent **for applications approved prior to February 26, 2024, and 25 percent for applications approved thereafter** of the total hired for the qualified film or digital media production;

- ii. The efforts made, or to be made, in the recruitment, selection, appointment, promotion, training, and related employment areas to ensure equal employment opportunities for minority persons and women;
- iii. The specific goals, which may include advertising and recruitment actions, for hiring minority persons and women, including full-time jobs for full-time or full-time equivalent employees in New Jersey for production staff and crew, entry level positions, management positions, and talent-related positions; and
- iv. Whether the *approved* applicant intends to participate, or has participated, in training, education, and recruitment programs that are organized in cooperation with State colleges and universities, labor organizations, and the motion picture industry and are designed to promote and encourage the training and hiring of minority persons and women.

[2. The tax credit allowed pursuant to (a) above against the tax imposed pursuant to N.J.S.A. 54:10A-5 or the tax otherwise due for the taxable year under N.J.S.A. 54A:1-1 et seq., shall be in an amount equal to 35 percent of the qualified film production expenses of the taxpayer during a privilege period or taxable year that are incurred for services performed and tangible personal property purchased through vendors whose primary place of business is located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer, or Salem County.

3. The tax credit allowed pursuant to (b) above against the tax imposed pursuant to N.J.S.A. 54:10A-5 or the tax otherwise due under N.J.S.A. 54A:1-1 et seq., shall be in an amount



equal to 25 percent of the qualified digital media content production expenses of the taxpayer during a privilege period or taxable year that are incurred for services performed and tangible personal property purchased through vendors whose primary place of business is located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer, or Salem County.]

2. {The} For **completed** applications submitted on or after January 12, 2022, **but on or before June 30, 2025,** the amount of the increase to a tax credit allowed pursuant to **[(l)](o)1** above shall increase to four percent of the qualified film {or digital media content} production expenses of the approved applicant if the diversity plan, in addition to meeting the requirements at **[(l)](o)1** above, outlines specific goals that include hiring no less than 25 percent of persons as performers, *excluding background actors and extras with no spoken lines*, in the film {or digital media production} who:

- i. Are women or members of a minority group;
- ii. Have been residents of New Jersey for at least 12 months preceding the beginning of filming or recording; and
- iii. Are members of a bona fide labor union representing film and television performers.

**3. For completed applications submitted after June 30, 2025, an approved applicant shall be allowed a credit against the tax imposed pursuant N.J.S.A. 54:10A-5 or the “New Jersey Gross Income Tax Act,” N.J.S.A. 54A:1-1 et seq., in an amount equal to four percent of the qualified film production expenses or four percent of the digital media content**

production expenses during a privilege period or taxable year commencing on or after July 1, 2018 but before July 1, 2049, provided that the application is accompanied by a plan:

(i) outlining specific goals, which may include advertising and recruitment actions, for hiring no less than 25 percent of employees (excluding independent contractors) working in New Jersey who are residents of an economically disadvantaged area in the State, a distressed municipality as that term is defined in N.J.S.A. 34:1B-323, or land owned by the federal government on or before December 31, 2005;

(ii) The application shall indicate whether the applicant intends to participate in training, education, and recruitment programs that are organized in cooperation with State colleges and universities, labor organizations, and the motion picture industry and are designed to promote and encourage the training and hiring of New Jersey residents of an economically disadvantaged area in the State, a distressed municipality, as defined in N.J.S.A. 34:1B-323, or land owned by the federal government on or before December 31, 2005.

4. For completed applications submitted after June 30, 2025, an approved applicant that is a New Jersey studio partner or New Jersey film-lease production company, and subject to the provisions of section 6 of P.L. 2025, c. 81 and paragraph 5 below, shall be allowed an additional tax credit against the tax imposed pursuant N.J.S.A. 54:10A-5 or the “New Jersey Gross Income Tax Act,” N.J.S.A. 54A:1-1 et seq. in an amount equal to four percent of the qualified film production expenses or qualified digital media content

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production expenses of the approved applicant incurred during a tax period commencing on or after July 1, 2025 but before July 1, 2049, provided that the application is accompanied by a plan outlining specific goals to promote or invest in New Jersey, which plan shall include at least four of the following criteria:

(i) the creation of a video at least three minutes in length of publicly accessible locations in New Jersey used for the film, with commentary on how and why each location was chosen, published on the website promoting the film or in another form and manner approved by the authority. To receive credit for this promotional criterion, an approved applicant shall provide to the Authority a list of locations in New Jersey used for the film and relevant footage of the three-minute video for use without restriction by the authority and any other State entity for promotional purposes;

(ii) the creation of five public social media posts including commentary on positive experiences at publicly accessible New Jersey locations or positive experiences filming in the State. The social media posts shall originate from an official account of the approved applicant, the film, the director of the film, a leading actor or actress in the film, any actor or actress in the main cast, or as otherwise permitted by the authority. To receive credit for this promotional criterion, the approved applicant shall provide to the Authority the website or location on which the post is publicly visible for use by the authority and any other State entity for promotional purposes;

- (iii) the placement of a New Jersey promotional logo provided by the authority or the commission for a two-second exposure, not displayed over content or on a shared card, and displayed before the below-the-line crew crawl and after contractual credit placement obligations. To receive credit for this promotional criterion, the approved applicant shall provide to the Authority a clip of the portion of the film displaying the New Jersey promotional logo;
- (iv) the film is set, at least in part, in New Jersey, and the State is referenced in the film. To receive credit for this promotional criterion, the approved applicant shall provide to the Authority a clip of the portion of the film evidencing that the film is set, at least in part, in New Jersey and that New Jersey is referenced in the film;
- (v) support for a workforce development program established by the approved applicant, the designated studio partner, or the film-lease production company tenant with one of the following entities in this State: a college, including but not limited to a community college; an entity with an apprentice program; or a university. The program shall include direct training or employment opportunities on the film for residents of this State during the dates of principal photography in New Jersey. To receive credit for this promotional criterion, the approved applicant shall provide a document evidencing the agreement between the approved applicant and the other entity demonstrating the establishment and support for a workforce development program and the

period during which the program offered direct training or employment opportunities;

(vi) a film industry recruiting program established by the approved applicant, the designated studio partner, or the film-lease production company tenant, providing paid internships or entry level employment opportunities in film crew positions for residents of an economically disadvantaged area in the State, a distressed municipality, as defined in N.J.S.A. 34:1B-323, or land owned by the federal government on or before December 31, 2005. The program shall be offered during the dates of principal photography in New Jersey. To receive credit for this promotional criterion, the approved applicant shall demonstrate its efforts to advertise and promote paid internships or entry level employment opportunities in the designated areas during the film's principal photography in New Jersey; and

(vii) the approved applicant incurs qualified film production expenses from at least five vendors authorized to do business in New Jersey that employ at least one full-time employee at a physical location of the vendor in an economically disadvantaged area in the State, a distressed municipality, as is defined in N.J.S.A. 34:1B-323, or on land owned by the federal government on or before December 31, 2005. To receive credit for this promotional criterion, the approved applicant shall provide a certification from each vendor in a form provided by the authority.

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**5. Notwithstanding any provision of P.L. 2025, c.81, paragraph 4. above, or any law, rule or regulation to the contrary:**

- (i) any additional tax credits from bonuses set forth in N.J.A.C. 19:31T-1.6(o)3 and 4 shall not exceed an aggregate additional amount totaling five percent of the qualified film production expenses or qualified digital media content production expenses of the approved applicant incurred during a tax period commencing on or after July 1, 2025 but before July 1, 2049; and**
- (ii) the total amount of tax credits allowed under “Garden State Film and Digital Media Jobs Act,” N.J.S.A. 54:10A-5.39b, shall not exceed an aggregate, including the additional amount, totaling 45 percent of the qualified film production expenses or qualified digital media content production expenses of the approved applicant incurred during a tax period commencing on or after July 1, 2025 but before July 1, 2049.**

19:31T-1.7 Evaluation process {for tax credits}; {initial} approval {for tax credits,} of award of tax credits[; appeals]

(a) {Applications} ***Completed applications for {film} tax credits*** shall be submitted to the {Commission which, upon review for **content** eligibility, will} ***Authority:***

***1. For completed applications for film tax credits, the Authority shall*** forward the application to the {Authority with the Commission's recommendation} ***Commission for its review for content eligibility.***

{1.} 2. The application **for tax credits** shall be considered by the Authority for initial approval on a first in time basis, subject to [an] **the** annual caps [of \$75 million for film production tax credits and \$10 million for digital production tax credits in fiscal year 2019, and in each fiscal year thereafter prior to fiscal year 2024] **at N.J.A.C. 19:31T-1.11.**

{2.} 3. At initial approval, the Authority will designate the maximum amount of the tax credit {and will assign a tax credit vintage year to the tax credit}. **To assist the Authority in reviewing the application, the Authority may retain a third-party consultant, at the cost of the applicant, to review the budget submitted by the applicant to determine if the qualified film or digital media content production expenses are reasonable based on industry standards.**

{3.} 4. The **Authority shall issue an** initial approval letter [received by] **to** the [taxpayer] **approved applicant that** will include conditions subsequent to receipt of the tax credit including, but not limited to, the requirement for progress reports and the date by when final documentation pursuant to (b) below is required. **The approval letter shall constitute the non-binding, administrative pre-certification process for potentially eligible projects.** Failure to submit timely[, ] periodic reports that demonstrate satisfactory progress or **timely** final documentation may lead to the forfeiture of the tax credit.

(b) {In general, the} **The** final documentation required [by] **pursuant to** (c) below shall be submitted to the Authority *as follows:*

*1. For approved applications with a tax credit vintage year based on paragraph (a) of the definition of “tax credit vintage year”, no later than four years after the Authority's initial approval*

if the [taxpayer] **approved applicant** is seeking a credit against the tax imposed pursuant to N.J.S.A. 54:10A-5 and three years after the Authority's initial approval if the [taxpayer] **approved applicant** is seeking a credit against the tax imposed pursuant to the N.J.S.A. 54A:1-1 et seq.

*2. For approved applications with a tax credit vintage year based on paragraph (b) of the definition of "tax credit vintage year," no later than three years after the Authority's initial approval. The Authority shall grant no more than two six-month extensions of this deadline.*

(c) Upon completion of {total film production expenses or} the total digital media content production expenses **for the privilege period or taxable year identified in the initial approval** [or the incurrence of qualified film production expenses during a privilege period or taxable year that exceed \$1,000,000 per production] **or at film completion**, the [taxpayer] **approved applicant** shall submit the following final documentation, which the Authority, in consultation with the Director and the Commission, shall process and evaluate:

1. With respect to a film{, evidence}:

*i. Evidence* satisfactory to the Commission, and written confirmation from the Commission to the Authority that principal photography commenced within {the earlier of} 180 days from the date of **the** completed application [or 150 days from the date of initial approval by the Authority] **for the tax credit**;

*ii. Evidence* satisfactory to the Commission that the film includes marketing materials, as deemed appropriate, pursuant to N.J.A.C. 19:31T-1.3(a)3; and

*iii. Evidence of film completion*;



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2. **Except as set forth in N.J.A.C. 19:31T-1.9, i**[I]f the approved applicant is a studio partner, **a film-lease production company, or film-lease post-production [facility] company,** a certification from the designated studio partner or film-lease partner facility that it has continued to satisfy the requirements of a studio partner or film-lease [production] partner facility from the commencement of principal photography, **or from the commencement of the digital media project;**

[2. The Authority shall review and approve actual] 3. **Actual** budgets and proof of total and qualified film production expenses or total and qualified digital media content production expenses, including a listing of the name of the company or person paid; his, her, or its Federal identification number; [and a]

4. A report prepared by an independent certified public accountant licensed in the State verifying the expenses claimed by the **approved** applicant. The report shall be prepared by the independent certified public accountant, pursuant to agreed-upon procedures prescribed by the Authority and the Director[; and].

i. **The report** shall include such information and documentation as shall be determined to be necessary by the Authority and the Director to substantiate the total and qualified film production expenses or the total and qualified digital media content production expenses of the [taxpayer.] **approved applicant, and the date of the last total film production expense excluding any deferred compensation payments, including:**

(1) A review of all non-payroll qualified film production expense items and non-payroll digital media content production expense items over \$20,000;

(2) A review of 100 randomly selected non-payroll qualified film production expense items and non-payroll digital media content production expense items that are greater than \$2,500, but less than \$20,000;

(3) A review of 100 randomly selected non-payroll qualified film production expense items and non-payroll digital media content production expense items that are less than \$2,500;

(4) A review of the qualified [wages] **wage and salary payments** for the 15 employees, independent contractors, or loan-out companies with the highest qualified [wages] **wage and salary payments**; and

(5) A review of the qualified [wages] **wage and salary payments** for 35 randomly selected employees, independent contractors, or loan-out companies with qualified [wages] **wage and salary payments** other than the 15 employees, independent contractors, or loan-out companies with the highest qualified [wages] **wage and salary payments**;

ii. In the report, the approved applicant's qualified film production expenses and digital media content production expenses shall be adjusted based on any discrepancies identified for the reviewed non-payroll qualified film production

expense items, non-payroll digital media content production expense items, and qualified [wages] **wage and salary payments**. The approved applicant's qualified film production expenses and digital media content production expenses also shall be adjusted based on the projection of any discrepancies identified based on the review of randomly selected expense items **or qualified [wages] wage and salary payments** in each strata pursuant to this subsection to the extent that the discrepancies exceed one percent of the total reviewed non-payroll qualified film production expense items, non-payroll digital media content production expense items, or qualified [wages] **wage and salary payments** in each strata. The determination shall be provided by the independent certified public accountant, in writing, to the approved applicant, the Authority, and the Director, and the approved applicant shall include a copy of the written determination in the filing of a return that includes a claim for a tax credit allowed pursuant to {this section} the *Program*;

iii. The amount of the qualified film production expenses or qualified digital media content production expenses in the [certification] **report** shall not be increased regardless of additional expenses after the date of the [certification] **report, except for the amount of deferred compensation in the report as set forth in N.J.A.C. 19:31T-1.7(g)**;

iv. If the approved applicant is a studio partner and the qualified film production expenses include deferred compensation payments based on work

or services provided on a production, the report shall include information necessary and relevant as determined by the Authority to demonstrate such deferred compensation payments; and

v. If the *approved* applicant is a film-lease production company *pursuant to subparagraph (a)1i in the definition of New Jersey film-lease production company*, the report shall also include verification of principal photography shoot days as necessary to demonstrate eligibility as a film-lease production company;

{5. For approved applicants that received initial approval for the production of a reality show:

i. The report required at (c)4 above shall include verification of the actual capital investment in the production facility. If the capital investment in the report is less than the minimum eligibility requirement in the definition of film, the approved applicant shall no longer be eligible for tax credits for the production;

ii. The temporary certificate of occupancy;

iii. A detailed floor plan, indicating the uses of each area, of the production facility;

iv. The executed deed, lease, or sublease evidencing site control. If the approved applicant is a tenant and the lease or sublease has a term, including renewals and options, of less than the minimum eligibility requirement in the

definition of film, the approved applicant shall no longer be eligible for tax credits for the production; and

v. Any other information necessary to determine compliance with the requirements of a reality show;

[3.] 6. With respect to a film, evidence satisfactory to the Commission that the film includes marketing materials, as deemed appropriate, pursuant to N.J.A.C. 19:31T-1.3(a)3;}

[4.] {7.} 5. **For completed applications submitted on or before June 30, 2025, i**~~I~~**f the approved applicant was initially approved for a bonus amount of tax credit for a diversity plan pursuant to N.J.A.C. 19:31T-1.6**~~[(1)]~~**(o)1 or (o)2**~~[1]~~**, evidence of achieving the relevant percentage in the diversity plan or good faith efforts to undertake the diversity plan. The bonus amount shall not be included in the amount of the final approval if the *approved* applicant fails to submit satisfactory evidence to the authority and the division;**

[5. The Division shall conduct verification of partners or members of pass through entities, such as partnerships or LLCs.]

**6. For completed applications after June 30, 2025, if the approved applicant was initially approved for a bonus amount of tax credit for a plan pursuant to N.J.A.C. 19:31T-1.6(o)3, evidence of achieving the relevant percentage in the plan or good faith efforts to undertake the plan. The bonus amount shall not be included in the amount of the final approval if the approved applicant fails to submit satisfactory evidence to the authority and the division;**

7. For completed applications after June 30, 2025, if the approved applicant was initially approved for a bonus amount of tax credits based on the criteria in N.J.A.C. 19:31T-1.6(o)4, evidence of satisfying the requisite number of criteria. The bonus amount shall not be included in the amount of the final approval if the approved applicant fails to submit satisfactory evidence to the authority and the division;

{8.} [6.] 8. If the approved applicant is a film-lease production company or a film-lease post-production company, the executed lease, sublease, or license to occupy production space in a film-lease partner facility;

[7. *If the approved applicant is seeking tax credits on the basis of services performed by a qualified independent post-production company, a certification from the approved applicant that the independent post-production company met the definition of a qualified independent post-production company during the time in which the qualified digital media content production expenses were incurred;*]

9. For completed applications submitted on or after January 1, 2028, if the approved applicant that is a studio partner or New Jersey film-lease production company is seeking tax credits for the total script costs of any script written within New Jersey; or the product of the total script costs of any script written outside New Jersey and the percentage of the principal photography shoot days in this State relative to the total principal photography shoot days for the film, evidence certified by an independent certified public accountant licensed in this State and according to such agreed-upon procedures as the authority may establish, that two or more of the following criteria have been met:

- i. the approved applicant establishes a writer's skills development program with any of the following in this State: a college, including a community college; an entity with an apprentice program; university; vocational school; or high school;**
- ii. the approved applicant opens a writer's room in this State at the designated studio partner's or the film-lease partner facility's production facility where writing support services are provided at least in part for the film;**
- iii. a writer on the film is a resident of this State for a period including at least one year prior to the commencement of principal photography for the film in this State; or**
- iv. the approved applicant hires one or more researchers that are residents of this State to perform research services in this State for the development of a script or scripts for a film;**

**{9.} [8.] 10.** A certification from the approved applicant that the information provided pursuant to this subsection is true {pursuant to} *under* the penalty of perjury; and

**{10.} [9.] 11.** Any other information necessary for the Authority and the Director to determine compliance with this program.

***(d) Approved applicants that received initial approval for a reality show shall not be required to demonstrate evidence that all episodes commissioned or ordered have been filmed or produced or that the reality show has premiered.***

**{(d)} (e)** The Authority, in consultation with the Division and Commission, shall determine final approval of the tax credit in an amount based on the Authority's determination of the total and

qualified film production expenses or total and qualified digital media content production expenses reported in the independent certified public accountant's [certification] **report**, but in no event shall the tax credit be greater than the amount stated in the Authority's initial approval. The Authority shall provide, in writing, to the [taxpayer] **approved applicant**, the determination of the expenses, and a copy of the written determination shall be included in the filing of a return that includes a claim for a tax credit allowed pursuant to this section.

{(e)} **(f)** If the Authority has approved the application, the Authority shall notify the Division of the final approval. The Division shall then issue the tax credit certificate to the **approved** applicant. The [taxpayer's] **approved applicant's** use of the tax credit shall be limited [by] **pursuant to** N.J.A.C. 19:31T-1.9{(a) or (b), as applicable}.

[(f) An applicant may appeal the Authority's initial approval or denial under (a) above and final approval or denial under (c) above by submitting, in writing to the Authority, within 20 calendar days from the date of the Authority's action, an explanation as to how the applicant has met the program criteria. Such appeals are not contested cases subject to the requirements of the Administrative Procedures Act, N.J.S.A. 52:14B-1 et seq., and 52:14F-1 et seq., and the Uniform Administration Procedure Rules, N.J.A.C. 1:1. Appeals that are timely submitted shall be handled by the Authority as follows:

1. The Chief Executive Officer shall designate an employee of the Authority to serve as a hearing officer for the appeal and to make a recommendation on the merits of the appeal to the Board. The hearing officer shall perform a review of the written record and may require an in-person hearing. The hearing officer has sole discretion to determine if an in-person hearing is



necessary to reach an informed decision on the appeal. The Authority may consider new evidence or information that would demonstrate that the applicant meets all of the application criteria.

2. Following completion of the record review and/or in-person hearing, as applicable, the hearing officer shall issue a written report to the Board containing his or her finding(s) and recommendation(s) on the merits of the appeal. The hearing officer's report shall be advisory in nature. The Chief Executive Officer, or equivalent officer, of the Authority may also include a recommendation to the written report of the hearing officer. The applicant shall receive a copy of the written report of the hearing officer, which shall include the recommendation of the Chief Executive Officer, if any, and shall have the opportunity to file written comments and exceptions to the hearing officer's report within five business days from receipt of such report.

3. The Board shall consider the hearing officer's report, the recommendation of the Chief Executive Officer, or equivalent officer, if any, and any written comments and exceptions timely submitted by the applicant. Based on that review, the Board shall issue a final decision on the appeal.

4. Final decisions rendered by the Board shall be appealable to the Superior Court, Appellate Division, in accordance with the Rules Governing the Courts of the State of New Jersey.]

**{(f)} (g) If a studio partner received a tax credit for qualified film production expenses that included deferred compensation payments based on work or services provided on a production, including deferred compensation payments made directly to a bona fide labor union, the studio partner shall submit a supplemental report prepared by a certified public**

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accountant pursuant to agreed-upon procedures prescribed by the Authority and the Director no later than [two] **four** years after the date on which the production concludes, as established by the date of {the last total} film {production expense, excluding any deferred compensation payments} *completion*. **The deferred compensation payments may occur and the supplemental report may be submitted after the end of the eligibility and commitment periods.**

19:31T-1.8 Evaluation process and designation of studio partner and film-lease partner facility

(a) An application for designation as a studio partner or a film-lease partner facility shall be submitted to the Authority.

(b) The completed application for designation as a studio partner or film-lease partner facility shall be considered by the Authority for approval on a first in time basis. If interest in a studio partner or film-lease partner facility designation so warrants, at the Authority's discretion, and upon notice, the Authority may institute a competitive application process whereby all completed applications submitted by a date certain will be evaluated as if submitted on that date.

(c) To assist the Authority in designating a studio partner or film-lease partner facility, the Authority may employ an independent consultant, at the cost of the applicant, or may consult with the Commission.

(d) Upon review of the *completed* application, the Authority's Board shall consider whether to designate the applicant as a studio partner or film-lease partner facility pursuant to

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N.J.A.C. 19:31T-1.3(d) and (e), respectively. **After the end of the studio partner's minimum commitment period or the film-lease partner facility's minimum site control period, the studio partner or film-lease partner facility may terminate the designation upon notice to the Authority, provided that the studio partner or film-lease partner facility is in compliance with the program.**

1. Effective upon designation as a studio partner, a film production company shall be eligible for a credit as a studio partner pursuant to this subchapter, provided the film production company otherwise complies with the eligibility requirements of the program.

2. A film production facility may receive its film-lease partner facility designation prior to executing an equity agreement with the Authority, **as set forth in N.J.A.C. 19:31T-1.3(e)1**, provided final approval of such agreement occurs on or before the date on which production commences at the facility.

*3. For completed applications approved on or after July 10, 2024, a film-lease production company may apply for film tax credits upon the designation of the corresponding film-lease partner facility, if the film-lease production company applies pursuant to paragraph (a)2 in the definition of New Jersey film-lease production company.* **For completed applications approved after June 30, 2025, a film-lease post-production company may apply for digital media tax credits upon the designation of the corresponding film-lease partner facility, if the film-lease post-production company applies pursuant to paragraph (a) in the definition of New Jersey film-lease post-production company.**

(e) Following approval by the Authority's Board, the Authority shall require the approved applicant to execute and return an approval letter to the Authority. The Board's designation shall be subject to conditions subsequent set forth in the approval letter. The conditions in the approval letter must be met to retain the designation.

1. The conditions of approval shall include, but not be limited to, submission of periodic progress reports; executed financing commitments, if applicable; and evidence of site plan approval or executed redevelopment agreement with a governmental entity, as applicable; *all required planning and zoning approvals and permits, and any other required permits*; and evidence of site control of the production facility within one year from Board approval of the designation. The Authority {shall grant no more than two} *may grant* six-month extensions of this deadline.

2. As set forth at N.J.A.C. 19:31T-~~{1.10}~~*1.12*, the conditions shall also include the requirement that construction at the production facility complies with the prevailing wage and affirmative action requirements; and that the production facility does not violate any environmental law requirements, including, but not limited to, the Flood Hazard Area Control Act Rules, N.J.A.C. 7:13.

**3. If the approved applicant is a film-lease production company or a film-lease post-production company that is required to enter into a lease with a film-lease partner facility, but the approved applicant is not the film-lease production company tenant or the film-lease post-production company tenant, respectively, then the film-lease production company tenant or film-lease post-production company tenant, respectively, shall also sign the**

**approval letter, which may include a requirement that such film-lease production company tenant or film-lease post-production tenant submit annual reports during the minimum term of the required lease.**

**[3.] 4. A studio partner or film-lease partner facility shall submit the final floor plan, or site plan if there are multiple buildings, indicating the uses and square footage of each area and one or more temporary certificates of occupancy for the minimum required square footage within 36 months from the later of Board approval of the designation and February 26, 2024. The Authority {shall grant no more than two} *may grant* six-month extensions of this deadline.**

**[4.] 5. Absent extenuating circumstances or the Authority's determination in its sole discretion, the Authority's designation shall expire if the approved applicant does not provide the required documents within the period of time prescribed {at} *in* this subsection.**

**(f) When deciding whether to make an equity investment in a film-lease partner facility and the terms of such investment, the Authority shall consider such factors as the financial structure of the production facility, the risk of the investment in the production facility, developer contributed capital or equity, the magnitude of State or other governmental support, the reasonable and appropriate return on investment to the developer and the Authority, and the terms offered to other equity owners and investors.**

**(g) A studio partner shall execute an award agreement that shall include, but not be limited to:**

1. The [commencement] **events that start and end** [of] the commitment and eligibility periods; and

2. An agreement that the studio partner shall maintain the lease or ownership of the production facility for the duration of the commitment period. The studio partner shall:

i. Not lease, sublease, or license any part of the production facility such that the studio partner occupies less than the minimum amount of square feet for more than 12 consecutive months or for a period longer than the remainder of the duration of the commitment period *unless the lease, sublease, or license is to another entity that is a studio partner, when applying for a film tax credit on the basis of the designated studio partner;*

ii. Not sell any part of the production facility, provided that a studio partner may sell the production facility if it remains the tenant in the production facility occupying at least the minimum amount of square feet; and

iii. Unless otherwise allowed in this subchapter, not receive any benefits from this program for any activity of its tenant or subtenant and the tenant or subtenant shall not receive any benefits from this program from the studio partner's designation.

(h) A film-lease partner facility shall execute an award agreement that shall include, but not be limited to, the following:

1. The commencement of the ownership, lease, or operation and if not owned, the length of the lease or other site control agreement; and

2. An agreement that the film-lease partner facility shall maintain the lease or ownership of the production facility in order to maintain the designation. The film-lease partner facility shall:

- i. Not lease, sublease, or license any part of the production facility for uses other than film production uses such that the film-lease partner facility occupies less than the minimum amount of square feet;
- ii. Absent the Authority's written consent, not sell any part of the production facility, provided that a film-lease partner facility may sell the production facility if it remains the tenant in the production facility occupying at least the minimum amount of square feet; and
- iii. Unless otherwise allowed in this subchapter, not receive any tax credits pursuant to this program for any activity of its occupant, tenant, or subtenant.

(i) The award agreement for a studio partner and a film-lease partner facility shall also include:

1. A method for the approved applicant to certify that it has met the eligibility requirements of the program;
2. A provision permitting an audit of evidence and documentation of the approved applicant supporting any submissions demonstrating eligibility and site visits, as the Authority deems necessary;
3. A provision permitting the Authority to amend the agreement;

4. A provision establishing the conditions pursuant to which the Authority, the approved applicant, or both parties, may terminate the agreement;

5. Indemnification and insurance requirements from the approved applicant;

6. Events that would trigger forfeiture, reduction, or recapture of tax credits, including, but not limited to, provisions in this subchapter; and

7. Default and remedies, including, but not limited to, a default if an approved applicant made a material misrepresentation on its application.

19:31T-1.9 Recapture and reduction of tax credits

***(a) If the studio partner was designated on the basis of a lease of a production facility that is a portion of a film-lease production facility before the film-lease partner facility receives a temporary certificate of occupancy and fails to occupy such facility:***

***1. The Authority shall revoke the designation of the studio partner;***

***2. All the studio partner's films, and all films from film production companies approved for film tax credits as studio partners on the basis of the designated studio partner, for which an initial approval has been given, but for which the Authority has not given final approval, shall terminate as a studio partner film project and shall be considered as a film project without the benefit of a studio partner designation; and***

***3. The Authority may recapture from the studio partner the portion of the tax credit that was only available to the studio partner or any film production company by virtue of the studio***



*partner's designation as a studio partner, except that the Authority shall not recapture any tax credits within one year after the approval of the studio partner designation./*

{(a)}[(b)]{If a} **(a)** For all studio partners, if a designated studio partner fails to occupy the production facility developed, purchased, or leased as a condition of designation as a studio partner for the duration of the commitment period or otherwise fails to satisfy the conditions for designation as a studio partner, **except for the failure to occupy the production facility for any reason outside the control of the studio partner,** the Authority: [shall revoke the designation of the] **(i) may rescind the studio partner designation, [and] (ii) may recapture solely from the studio partner** the portion of the tax credit {from the studio partner} that was only available to the studio partner or any film production company by virtue of the studio partner's designation as a studio partner, and **(iii) [all the studio partner's films, and/ all films from film production companies approved for a film tax credit as studio partners on the basis of the designated studio partner,** for which an initial approval has been given, but for which the Authority has not given final approval, shall [terminate] **be reduced to eliminate the portion of the tax credits only available by virtue of such designation.**

**(b) If a designated studio partner fails to occupy the production facility developed, purchased, or leased as a condition of designation as a studio partner for the duration of the commitment period for any reason outside the control of the studio partner,**

**1. the designated studio partner shall not be subject to the following solely on the basis of the failure to occupy the production facility:**

**i. recapture of tax credits issued before the failure to occupy, or**

ii. forfeiture, termination, or reduction of any film production award initially approved before the failure to occupy and on the basis of the studio partner designation.

2. The designated studio partner, at its option, may occupy a production facility for the remainder of the commitment period as follows:

i. If the temporary certificate of occupancy for the production facility approved as part of the designation of the studio partner has not been issued before the deadline specified in N.J.A.C. 19:31T-1.8(e)4, the designated studio partner shall have until the later of the specified temporary certificate of occupancy deadline and 6 months from the event that was the reason outside the control of the designated studio partner, to be issued the temporary certificate of occupancy for a production facility, subject to possible six-month extensions as set forth in N.J.A.C 19:31T-1.8(e)4.

ii. If the event that was the reason outside the control of the designated studio partner occurred after the deadline in N.J.A.C. 19:31T-1.8(e)4 for the temporary certificate of occupancy for the production facility, the studio partner shall have until 6 months from the event that was the reason outside the control of the designated studio partner to occupy a production facility, subject to possible six-month extensions as provided in N.J.A.C. 19:31T-1.8(e)4.

iii. If the designated studio partner does not diligently seek a production facility within the dates set forth in i. and ii. above, the Authority shall: revoke the studio

partner's designation; reduce the tax credit amount for any film production award initially approved following the event that is the reason outside the control of the designated studio partner but for which no tax credits have been issued, to eliminate the portion of tax credits that was only available to the designated studio partner or any film production company by virtue of the studio partner's designation; and recapture the excess benefits for any film production initially approved following the event that is the reason outside the control of the designated studio partner for which tax credits have been issued. Such revocation, reduction, and recapture shall not extend to any film production tax credits or approvals in paragraph (b)1 above.

3. If at the end of the period to occupy a production facility set forth in paragraph (b)2 above, the designated studio partner does not occupy a production facility, the authority shall revoke the studio partner's designation and, thereafter, no film production applications shall be initially approved with tax credit amounts on the basis of the studio partner's revoked designation. Such revocation shall not cause any recapture, forfeiture, reduction, or termination of any film production tax credits or approvals in paragraph (b)1 above or any tax credits issued or film productions initially approved during the period to occupy a production facility set forth in paragraph (b)2 above when the designated studio partner is diligently seeking a production facility.

(c) Notwithstanding subsections (a) or (b) above, if the studio partner was designated on the basis of a lease of a production facility that is a portion of a film-lease partner facility before

the film-lease partner facility receives a temporary certificate of occupancy and fails to meet the qualifications of a studio partner, including, but not limited to, failure to occupy the required amount of space at the film-lease production facility for the required time, the authority shall not recapture any tax credits within one year of the date of the designated studio partner's lease with the film-lease production facility, which the authority shall extend for one additional year if the film-lease production facility commences construction, as evidenced by the issuance of a building permit, including permits for demolition and site remediation, within one year of the date of the designated studio partner's lease with the film-lease production facility;

{(b)}[(c)] (d) If a film-lease partner facility fails to operate the production facility developed, purchased, or leased as a condition of designation as a film-lease partner facility or otherwise fails to satisfy the conditions for designation as a film-lease partner facility for the duration of the five-year period, the Authority:

1. {shall} *may* revoke the designation of the film-lease partner facility, [and]
2. **may** recapture *from the film-lease partner facility* the portion of the tax credit {from the film-lease partner facility} that was only available to film-lease production companies **and film-lease post-production companies** by virtue of the film-lease partner facility's designation as a film-lease partner facility, [and]
3. **shall reduce the award for** all films from film-lease production companies that relied on the film-lease partner facility designation for which an initial approval has been given, but for which the Authority has not given final approval, [shall {terminate} *be reduced*] to

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*eliminate the portion of the tax credits only available by virtue of the film-lease partner facility's designation as a film-lease partner facility*, **subject to any other provisions of this section, and**

**4. shall reduce the award for all digital media projects from film-lease post-production companies that relied on the film-lease partner facility designation for which an initial approval has been given, but for which the Authority has not given final approval, to eliminate the portion of the tax credits only available by virtue of the film-lease partner facility's designation as a film-lease partner facility if the digital media project is otherwise eligible or shall be terminated if not eligible, subject to the any other provisions of this section.**

**(e) If a film-lease partner facility fails to operate the production facility developed, purchased, or leased as a condition of designation as a film-lease partner facility or otherwise fails to satisfy the conditions for designation as a film-lease partner facility for the duration of any lease of at least three years by a film-lease production company tenant after the five-year period, the Authority may revoke the designation of the film-lease partner facility and recapture from the film-lease partner facility the portion of the tax credit that was only available to film-lease production companies by virtue of the film-lease partner facility's designation as a film-lease partner facility, and all films from film-lease production companies that relied on the film-lease partner facility designation for which an initial approval has been given, but for which the Authority has not given final approval, shall be reduced to eliminate the portion of the tax credits only available by virtue of the film-lease**

**partner facility's designation as a film-lease partner facility, subject to any other provisions of this section.**

***[(d)](f) If a film-lease production company [that was issued a film tax credit pursuant to paragraph (a)2 in the definition of New Jersey film-lease production company has failed] fails to meet the qualifications of a film-lease production company or otherwise comply with the applicable provisions in the definition of New Jersey film-lease production company, except for the failure to occupy the film-lease partner facility for any reason outside the control of the film-lease production company:***

*1. All the film-lease production company's films for which an initial approval has been given, but for which the Authority has not given final approval, shall [terminate as a film-lease production company film project and shall be considered a film project without the benefit of any film-lease partner facility designation] **be reduced to eliminate the portion of the tax credits only available by virtue of such designation; and***

*2. The Authority may recapture **solely from [the] that** film-lease production company the portion of [the] **any tax credits** that had been awarded to the film-lease production company that was only available to the film-lease production company on the basis of the designation of a film-lease partner facility. [except that the Authority shall not recapture any tax credits within one year of the date of the film-lease production company's lease with the film-lease partner facility.]*

**(g) Notwithstanding (f) above, if a film-lease production company was issued a film tax credit on the basis of a lease or sublease with a film-lease partner facility before that facility receives**

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a temporary or final certificate of occupancy and the film-lease production company fails to meet the qualifications of a film-lease production company or otherwise comply with the applicable provisions in the definition of film-lease production company, including, but not limited to, the failure to occupy the required amount of space at a film-lease production facility for the required time, the authority shall not recapture any tax credits within one year of the date of the film-lease production company tenant's lease with the film-lease production facility, which the authority shall extend for one additional year if the film-lease production facility commences construction, as evidenced by the issuance of a building permit, including permits for demolition and site remediation, within one year of the date of the film-lease production company tenant's lease with the film-lease production facility.

(h) In the event that the authority determines that a film-lease post-production company has failed to meet the qualifications of a film-lease post-production company or otherwise comply with the provisions of this section, except for the failure to occupy the film-lease partner facility for any reason outside the control of the film-lease post-production company, the authority may recapture solely from that qualified post-production company the portion of any tax credits that had been awarded to that qualified post-production company that was only available to the qualified post-production company by virtue of the qualified post-production company treatment as a film-lease post-production company, and all films for which an initial approval has been given but for which the authority has not approved final documentation shall be either reduced to eliminate the portion of the tax credits only

available by virtue of such treatment if the digital media project is otherwise eligible or shall be terminated if not eligible.

(i) Notwithstanding (h) above, if a film-lease post-production company was issued a film tax credit on the basis of a lease or sublease with a film-lease partner facility before that facility receives a temporary or final certificate of occupancy, and the film-lease post-production company fails to meet the qualifications of a film-lease post-production company or otherwise comply with the applicable provisions in the definition of film-lease post-production company, including, but not limited to, the failure to occupy the required amount of space at a film-lease production facility for the required time, the authority shall not recapture any tax credits within one year of the date of the film-lease post-production company tenant's lease with the film-lease production facility, which the authority shall extend for one additional year if the film-lease production facility commences construction as evidenced by the issuance of a building permit, including permits for demolition and remediation, within one year of the date of the film-lease post-production company tenant's lease with the film-lease production facility.

(j) A television series produced by a film-lease production company that satisfies the three year lease requirements in subparagraph (a) in the definition of film-lease production company and that commences principal photography in New Jersey prior to the film-lease partner facility's receipt of a temporary or final certificate of occupancy shall remain eligible to receive the tax credits only available to the film production company by virtue of the film production company's treatment as a film-lease production company, provided that the



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series continues production in New Jersey, the film production company continues to satisfy the requirements of a film-lease production company at least through the conclusion of production of the television series in New Jersey, and the television series continues to satisfy the requirements for a film that commences production prior to the film-lease partner facility's receipt of a temporary or final certificate of occupancy.

{(c)}{(e)}{(k)} If an approved applicant has received tax credits on the basis of deferred compensation and the supplemental report from the independent certified public accountant does not evidence actual payment of the *entire amount of* deferred compensation, the Authority shall recapture the amount of the tax credit that was based on the projected deferred compensation *that was not evidenced*. If the approved applicant fails to submit the supplemental report by the date required, the Authority shall recapture all of the tax credit based on the projected deferred compensation.

{(d)} {(f)}{(l)} If, at any time, the Authority determines that a designated studio partner or film-lease partner facility made a material misrepresentation on its application or any submission pursuant to this program, the Authority shall revoke the designation and *the* studio partner or film-lease partner facility shall forfeit, and the Authority may recapture any or all of, the tax credits awarded to the studio partner, **any film-lease post-production company**, or any *film-lease production company* or film production company approved for tax credits by virtue of the designation *of the studio partner or film-lease partner facility*, which shall be in addition to any other remedies in any approval letter, award agreement,

and any criminal or civil penalties to which the approved applicant and the respective officer may be subject.

{(e)}[(g)](m) If, at any time, the Authority determines that an approved applicant for a tax credit made a material misrepresentation on the approved applicant's application or any submission pursuant to this program, the approved applicant shall forfeit, and the Authority may recapture any or all of, the tax credits awarded pursuant to the program, which shall be in addition to any other remedies in any approval letter, award agreement, and any criminal or civil penalties to which the approved applicant and the respective officer may be subject.

[(h)](n) *If, based on new information, the Authority determines that a reduction, forfeiture, or recapture should have been applicable pursuant to this section, the Authority shall recapture the tax credits for the relevant tax period(s).*

[(i)](o) *If all or part of a tax credit sold or assigned pursuant to N.J.A.C. 19:31T-1.10 is subject to recapture, then the Authority shall pursue recapture from the corresponding studio partner, film-lease partner facility, [or] film production company, **film-lease production company, or film-lease post-production company** and not from the purchaser or assignee of the tax credit transfer certificate.*

{(f)}[(j)](p) Any funds recaptured pursuant to this section, including penalties and interest, shall be deposited into the General Fund of the State.

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19:31T-~~{1.8}~~*1.10* Application for tax credit the transfer certificate

(a) Tax credits, upon receipt thereof by [a taxpayer] **an approved applicant** from the Director and the Authority, may be transferred, by sale or assignment, in full or in part, pursuant to this section, subject to the cumulative total [in] **at** N.J.A.C. 19:31T-~~{1.9(a)}~~*1.11(a)*, to any other taxpayer who may have a tax liability **[pursuant to N.J.S.A. 54:10A-5 or 54A:1-1 et seq.] under the "Corporation Business Tax Act (1945)," N.J.S.A. 54:10A-1 et seq., [or] the "New Jersey Gross Income Tax Act," N.J.S.A. 54A:1-1 et seq., N.J.S.A. 54:18A-2, N.J.S.A. 54A:18A-3, N.J.S.A. 17:32-15, or N.J.S.A. 17B:23-5.** [A taxpayer] **An approved applicant** shall apply to the Authority and the Director for a tax credit transfer certificate, in lieu of the [business] **approved applicant** being allowed any amount of the credit against the tax liability of the [taxpayer] **approved applicant**. Such application shall identify the specific tax credits to be transferred, the consideration received therefor, and the identity of the transferee. Once approved by the Chief Executive Officer of the Authority and the Director of the Division of Taxation, a tax credit transfer certificate shall be issued to the [taxpayer] **approved applicant**, naming the transferee. The certificate issued to the [business] **approved applicant** shall include a statement waiving the [taxpayer's] **approved applicant's** right to claim that amount of the tax credit against the taxes that the [business] **approved applicant** has elected to sell or assign. Any amount of a tax credit transfer certificate used by a purchaser or assignee against a tax liability shall be subject to the same limitations and conditions that apply to the use of the tax credits pursuant to N.J.A.C. 19:31T-~~{21.6}~~*1.6*.

(b) The sale or assignment of any amount of a tax credit transfer certificate allowed [under] **pursuant to** this section shall not be exchanged for consideration received by the [taxpayer] **approved applicant** of less than 75 percent of the transferred credit amount. In order to evidence this requirement, the [taxpayer] **approved applicant** shall submit to the Authority an executed form of standard selling agreement that evidences that the consideration received by the [taxpayer] **approved applicant** is not less than 75 percent of the transferred tax credit.

(c) In the event that the [taxpayer] **approved applicant** is a partnership and chooses to allocate the income realized from the sale of the tax credits other than in proportion to the partners' distributive shares of income or gain of the partnership, the selling agreement shall set forth the allocation among the partners that has previously been submitted to the Director of the Division of Taxation in the Department of the Treasury pursuant to N.J.A.C. 19:31T-1.6.

**(d) The tax credit transfer certificate holder may transfer the tax credit amount on or after the date of issuance for use by the transferee in the tax period for which it was issued, in the tax period for which it was issued, or in any of the next successive tax periods, subject to the carryforward provisions in N.J.S.A. 54:10A-5.39b.c, N.J.S.A 54A:4-12b.c, and N.J.A.C. 19:31T-1.6. The tax credit transfer certificate holder or transferee may first use the credit against tax liabilities in the tax period in which it was issued or in a succeeding tax period, as authorized in this paragraph (d), subject to the carryforward provisions in N.J.S.A. 54:10A-5.39b.c, N.J.S.A 54A:4-12b.c and N.J.A.C. 19:31T-1.6, without the need to amend the return for the year for which the credit was issued.**

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(e) The Authority shall develop and make available forms of applications and certificates to implement the transfer processes described in this section.

**[(e)](f) The Authority shall publish on its {Internet} website the following information concerning each tax credit transfer certificate approved by the Authority and the Director pursuant to this section:**

- 1. The name of the transferrer;**
- 2. The name of the transferee;**
- 3. The value of the tax credit transfer certificate; and**
- 4. The State tax against which the transferee may apply the tax credit.**

19:31T-{1.9}1.11 Cap on total credits

(a) The value of tax credits, including tax credits allowed through the granting of tax credit transfer certificates, approved by the Director and the Authority pursuant to N.J.A.C. 19:31T-1.6(a) *to apply against the tax imposed pursuant to N.J.S.A. 54:10A-5 and the tax imposed pursuant to the New Jersey Gross Income Tax Act, N.J.S.A. 54A:1-1 et seq., shall [not exceed a] be allowed in the fiscal year of initial approval, except as provided at (a)4 below, as follows:*

**1. Pursuant to N.J.S.A. 54:10A-5.39b.e{(1)} and 54A:4-12b.f{(1)}, and except as provided at N.J.S.A. 34:1B-362.d and (a)2 below, to approved applicants, other than studio partners and film-lease production companies, the cumulative total [of \$75,000,000] shall not exceed \$100,000,000 in fiscal year 2019, and in each fiscal year thereafter prior to fiscal year [2024] [2040]2050{, as indicated by [fiscal year in which the tax credit was initially approved] the**

**tax credit vintage period**, to apply against the tax imposed pursuant to N.J.S.A. 54:10A-5 and the tax imposed pursuant to **the New Jersey Gross Income Tax Act**, N.J.S.A. 54A:1-1 et seq.}.

*2. Pursuant to N.J.S.A. 34:1B-362.d, notwithstanding the provisions of any other law to the contrary, of the uncommitted balance of the total value of tax credits authorized for award by the Authority pursuant to N.J.S.A. 34:1B-362.b(1)(f) to the New Jersey Aspire Program Act, N.J.S.A. 34:1B-322 through 335, and to the Emerge Program Act, N.J.S.A. 34:1B-336 through 348, \$300,000,000 shall also be made available for tax credits allowed in fiscal year 2025.*

{2.}3. For studio partners and film-lease production companies:

i. Pursuant to N.J.S.A. 54:10A-5.39b.e{(1)} and 54A:4-12b.f{(1)}, except as provided at {(a)2ii} (a)3ii and iii below, the cumulative total shall not exceed \$100,000,000 in fiscal year 2021 and in each fiscal year thereafter prior to fiscal year 2024, and shall not exceed a cumulative total of \$150,000,000 in fiscal year 2024 and in each fiscal year thereafter prior to fiscal year [2040]2050, to apply against the tax imposed pursuant to N.J.S.A. 54:10A-5 and the tax imposed pursuant to the New Jersey Gross Income Tax Act, N.J.S.A. 54A:1-1 et seq.

ii. Pursuant to N.J.S.A. 34:1B-362.d, notwithstanding the provisions of any other law to the contrary, *of the uncommitted balance of the total value of tax credits authorized for award by the Authority pursuant to N.J.S.A. 34:1B-362.b(1)(f) to the New Jersey Aspire Program Act, N.J.S.A. 34:1B-322 through {34:1B-}335, and the Emerge Program Act, N.J.S.A. 34:1B-336 through*

~~{34:1B-}~~348, \$250,000,000 shall *also* be made available for tax credits allowed in fiscal years 2023, 2024, and 2025.

iii. Pursuant to N.J.S.A. 34:1B-362.b(1)(i), 54:10A-5.39b.e~~{(1)}~~, and 54A:4-12b.f~~{(1)}~~, beginning in fiscal year 2023, in addition to the cumulative total tax credits made available for studio partners pursuant to ~~{(a)2i}~~ (a)3i and ii above, up to an additional \$400,000,000 may be made available annually to studio partners and \$250,000,000 for film-lease production companies, in the discretion of the Authority, for the award of tax credits, including tax credits allowed through the granting of tax credit transfer certificates, from the funds made available pursuant to N.J.S.A. 34:1B-362.b(1)(i), from the tax credits made available pursuant to N.J.S.A. 34:1B-~~{362.f}~~362.b(1)f to the New Jersey Aspire Program Act, N.J.S.A. 34:1B-322 through ~~{34:1B-}~~335, and to the Emerge Program Act, N.J.S.A. 34:1B-336 through ~~{34:1B-}~~348, not including tax credits awarded for transformative projects.

~~{3.}~~ 4. If the **applicable** cumulative total amount of tax credits initially approved and tax credit transfer certificates approved for privilege periods or taxable years commencing during a single fiscal year [under] **pursuant to** N.J.A.C. 19:31T-1.6(a) exceeds the amount of tax credits available in that fiscal year, then [taxpayers] **applicants** who have first applied for and have not been approved a tax credit or tax credit transfer certificate amount for that reason shall have their [tax credits considered for initial approval and their tax credit transfer certificates considered for approval, in the order in which they have submitted an application,] **applications approved by**

the Authority, provided the applications otherwise {satisfies} *satisfy* the requirements of the program, and shall be allowed the amount of tax credit or tax credit transfer certificate on the first day of the next succeeding fiscal year in which tax credits and tax credit transfer certificates [under] pursuant to N.J.A.C. 19:31T-1.6(a) are not in excess of the amount of applicable credits available.

(b) The value of tax credits, including tax credits allowed through the granting of tax credit transfer certificates, approved by the Authority and the Director pursuant to N.J.A.C. 19:31T-1.6(b) *to apply against the tax imposed pursuant to N.J.S.A. 54:10A-5 and the tax imposed pursuant to the New Jersey Gross Income Tax Act, N.J.S.A. 54A:1-1 et seq., shall {not exceed a} be allowed in the fiscal year of initial approval as follows:*

1. *Pursuant to N.J.S.A. 54:10A-5.39b.e and 54A:4-12b.f, the cumulative total of* [\$10,000,000] **\$30,000,000** *in fiscal year 2019, and in each fiscal year thereafter prior to fiscal year [2024] [2040]2050 {,as indicated by the tax credit vintage year, to apply against the tax imposed pursuant to N.J.S.A. 54:10A-5 and the tax imposed pursuant to the New Jersey Gross Income Tax Act, N.J.S.A. 54A:1-1 et seq.}.*

2. *Beginning in the fiscal year beginning July 1, 2024, in addition to the total amount of tax credits and tax credit transfer certificates allowed to approved applicants for privilege periods or taxable years commencing during a single fiscal year pursuant to (b)1 above, up to an additional \$100,000,000 may be made available, at the discretion of the Authority for the award of tax credits, including tax credits allowed through the granting of tax credit transfer certificates, from the funds*



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*made available to approved applicants for film tax credits other than studio partners and film-lease production companies pursuant to N.J.S.A. 34:1B-362.d(3) and (a)2 above.*

3. If the total amount of tax credits initially approved and tax credit transfer certificates approved for privilege periods or taxable years commencing during a single fiscal year [under] **pursuant to N.J.A.C. 19:31T-1.6(b)** exceeds the amount of tax credits available in that year, then [taxpayers] **applicants** who have first applied for and who have not been approved a tax credit or tax credit transfer certificate amount for that reason shall {have their tax credits considered for initial approval and their tax credit transfer certificates considered for approval, in the order in which they have submitted an application,}*have their applications approved by the Authority, provided the applications otherwise satisfy the requirements of this section, and shall be allowed* the amount of tax credit or tax credit transfer certificate on the first day of the next succeeding fiscal year in which tax credits and tax credit transfer certificates [under] **pursuant to N.J.A.C. 19:31T-1.6(b)** are not in excess of the amount of credits available.

**(c) Notwithstanding any provision at (a) above to the contrary, for any fiscal year in which the amount of tax credits approved to studio partners, film-lease production companies, or approved applicants other than studio partners and film-lease production companies pursuant to N.J.A.C. 19:31T-1.6(a) and N.J.S.A. 54:10A-~~{5.39b(1)(a)}~~5.39b.a and 54A:4-~~{12b(2)(a)}~~12b.a is less than the cumulative total amount of tax credits permitted to be approved to each such category, in that fiscal year, the Authority shall certify the amount of the remaining tax credits available for approval to each such category in that fiscal year, and shall increase the cumulative total amount of tax credits permitted to be approved for studio**

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partners, film-lease production companies, or approved applicants other than studio partners and film-lease production companies in the subsequent fiscal year by the certified amount remaining for each such category from the prior fiscal year. The Authority shall also certify, for each fiscal year, the amount of tax credits that were previously approved, but that the approved applicant is not able to redeem or transfer to another taxpayer pursuant to this subchapter, and shall increase the cumulative total amount of tax credits permitted to be approved for studio partners, film-lease production companies, or applicants other than studio partners and film-lease production companies in the subsequent fiscal year by the amount of tax credits previously approved for each such category, but not subject to redemption or transfer.

**(d) Notwithstanding any provision of this section to the contrary, beginning in fiscal year 2028, if the amount of tax credits approved to approved applicants other than New Jersey studio partners and New Jersey film-lease production companies pursuant to this section is less than the cumulative total amount of tax credits permitted to be approved to approved applicants other than New Jersey studio partners and New Jersey film-lease production companies in that fiscal year, the authority shall certify the amount of the remaining tax credits available for approval in that fiscal year, which certified amount shall not exceed \$100,000,000 in any fiscal year, and shall increase the cumulative total amount of tax credits permitted to be approved for New Jersey studio partners pursuant to N.J.S.A. 54A:4-12b.a and N.J.S.A. 54:10A-5.39b.a in the next subsequent fiscal year by the certified amount remaining for approved applicants other than New Jersey studio partners and New Jersey**

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film-lease production companies from the prior fiscal year. If the certified amount remaining from the prior fiscal year is less than \$100,000,000, then, in addition to the tax credits remaining from the prior fiscal year, the difference between \$100,000,000 and the certified amount shall be made available to New Jersey studio partners, first from any funds available pursuant to N.J.S.A. 34:1B-362.b(1)(f), not including tax credits made available for transformative projects, and then, if there are insufficient funds available pursuant to N.J.S.A. 34:1B-362.b(1)(f), from the tax credits allocated in the current fiscal year to approved applicants other than New Jersey studio partners and New Jersey film-lease production companies.

**[(d)] (e)** Notwithstanding any provision at (b) above to the contrary, for any fiscal year in which the amount of tax credits approved pursuant to N.J.A.C. 19:31T-1.6(b) and N.J.S.A. 54:10A-~~{5.39b(1)(b)}~~*5.39b.b* and 54A:4-~~{12b(2)(b)}~~*12b.b* is less than the cumulative total amount of tax credits permitted to be approved in that fiscal year, the Authority shall certify the amount of the remaining tax credits available for approval in that fiscal year, and shall increase the cumulative total amount of tax credits permitted to be approved in the subsequent fiscal year by the certified amount remaining from the prior fiscal year. The Authority shall also certify, for each fiscal year, the amount of tax credits that were previously approved, but that the approved applicant is not able to redeem or transfer to another taxpayer pursuant to this section and shall increase the cumulative total amount of tax credits permitted to be approved in the subsequent fiscal year by the amount of tax credits previously approved, but not subject to redemption or transfer.

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**[(e)] (f)** Notwithstanding any provision of this section or other law to the contrary, if a film production company designated as a studio partner ceases to qualify for its designation as a studio partner and becomes designated as a film-lease partner facility, the Authority shall reduce the cumulative total amount of tax credits, including tax credits allowed through the granting of tax credit transfer certificates, made available to studio partners in each fiscal year and shall increase the cumulative total amount of tax credits permitted to be approved for film-lease production companies in each fiscal year by a corresponding amount equal to the lesser of:

1. One third; and
2. The greater of the percentage of the studio partner's number of film tax credit applications out of the volume of applications submitted by studio partners and film-lease production companies, the percentage of the cumulative total amount of tax credits approved for the studio partner out of the cumulative total amount of tax credits approved to studio partners and film-lease production companies in the prior fiscal year, and the percentage of the studio partner's square footage out of the total square footage of production facility space occupied in the State by studio partners and production facilities.

19:31T-~~{1.10}~~1.12 Affirmative action; and prevailing wage

**(a)** The Authority's affirmative action requirements, N.J.S.A. 34:1B-5.4, and prevailing wage requirements, N.J.S.A. 34:1B-5.1, [will apply to productions undertaken with financial assistance received under the Garden State Film and Digital Media Jobs Program] **shall apply to the**

qualified film production expenses and the qualified digital media content production expenses, including, but not limited to, the following:

1. Construction contracts for work performed on or after the Authority's initial approval; and

2. Construction contracts for work performed before the application and after February 26, 2024.

(b) For studio partners and film-lease partner facilities, the Authority's affirmative action requirements at N.J.S.A. 34:1B-5.4 and N.J.A.C. 19:30-3, and prevailing wage requirements at N.J.S.A. 34:1B-5.1 and N.J.A.C. 19:30-4 shall apply to *construction contracts for work* performed at the production facility after the later of February 26, 2024, and the Authority's approval of the designation.

19:31T-1.13 Appeals

(a) The Board's action shall be effective 10 business days after the Governor's receipt of the minutes, provided neither an early approval nor veto has been issued.

(b) An applicant may appeal the Authority's action by submitting, in writing, to the Authority, within 20 calendar days from the effective date of the Authority action, an explanation as to how the applicant has met the program criteria. Such appeals are not contested cases subject to the requirements of the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq., and 52:14F-1 et seq., and the Uniform Administrative Procedure Rules, N.J.A.C. 1:1.

(c) Appeals that are timely submitted shall be handled by the Authority as follows:

1. The Chief Executive Officer shall designate an employee of the Authority to serve as a hearing officer for the appeal and to make a recommendation on the merits of the appeal to the Board. The hearing officer shall perform a review of the written record and may require an in-person hearing. The hearing officer has sole discretion to determine if an in-person hearing is necessary to reach an informed decision on the appeal. Unless the application was submitted in response to a competitive application process, the Authority may consider new evidence or information that would demonstrate that the applicant meets all of the application criteria.

2. Following completion of the record review and/or in-person hearing, as applicable, the hearing officer shall issue a written report to the Board containing his or her finding(s) and recommendation(s) on the merits of the appeal. The hearing officer's report shall be advisory in nature. After reviewing the report, the Chief Executive Officer of the Authority may also include a recommendation to the written report of the hearing officer. The applicant shall receive a copy of the written report of the hearing officer, which shall include the recommendation of the Chief Executive Officer, if any, and shall have the opportunity to file written comments and exceptions to the hearing officer's report within five business days from receipt of such report.

3. The Board shall consider the hearing officer's report, the recommendation of the Chief Executive Officer, if any, and any written comments and exceptions timely submitted by the applicant. Based on that review, the Board shall issue a final decision on the appeal.

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4. Final decisions rendered by the Board shall be appealable to the Superior Court of New Jersey, Appellate Division, in accordance with the Rules Governing the Courts of the State of New Jersey.

**19:31T-~~{1.11}~~1.14 Severability**

If any section, subsection, provision, clause, or portion of this subchapter is adjudged to be unconstitutional or invalid by a court of competent jurisdiction, the remaining portions of this subchapter shall not be affected thereby.



## **MEMORANDUM**

**TO:** Members of the Authority

**FROM:** Tim Sullivan  
Chief Executive Officer

**DATE:** October 30, 2025

**SUBJECT:** Paramount Global, Inc. – Studio Partner Designation

### **Request:**

1. The members are requested to designate Paramount Global, Inc (“Paramount”) as a studio partner under the Garden State Film and Digital Media Jobs Act (the “Act”) and the rules related to the studio partner. Paramount has entered into a lease in Bayonne, New Jersey, for a section of 1888 Studios (which is an approved Film Lease Partner Facility).
2. The members are requested to approve two initial six-month extensions to the 36-month deadline required for studio partners to provide Temporary Certificate(s) of Occupancy for at least 250,000 square feet at the project facility.
3. The members are requested to approve certain policy if the Act is terminated or materially reduced.

This designation request is only for Paramount to be designated as a studio partner and is not a request for tax credits. If approved, there would be no remaining designations for Studio Partners available.

### **Program Background:**

As originally created under the Garden State Film and Digital Media Jobs Act, P.L.2018, c.56, the New Jersey Film and Digital Media Tax Credit Program provided a credit against the corporation business tax and the gross income tax for certain expenses incurred for the production of certain films and digital media content in New Jersey. Under the current Film Tax Credit Program, as amended by Chapter 81, applicants that are not submitting on the basis of a studio partner designation or as a film-lease production company are eligible for a tax credit equal to up to 35% of qualified film production expenses with new bonuses worth up to an additional 4% for eligible applicants.

As amended by P.L.2023, c.97, the Film Tax Credit Program annual allocation was expanded to \$400 million and provided the Authority with the ability to designate eligible film



production companies as studio partners. The designated studio partner must commit to occupying large studio developments in New Jersey which have the potential to have a significantly larger economic impact on the State and on local economies than a stand-alone film project. If designated, studio partners and certain other production companies authorized to apply on the basis of a studio partner's designation (collectively, "Studio Partner Companies") have access to a separate \$150 million annual allocation and have a separate project approval queue. After each State Fiscal Year, the Authority may certify any unused portions of each allocation and carry forward the excess to be used in the next State Fiscal Year.

Additionally, program changes were made most recently when Governor Murphy signed P.L. 2025, c. 81 ("Chapter 81") on June 30, 2025. This new law made several changes, including, but not limited to, extending the program to 2049, increasing the studio partner tax credit award to a flat 40%, increasing the above-the-line wage and salary cap to \$750,000, and creating certain protections from recapture for studio partners and film-lease production companies with three-year leases.

Studio Partner:

An eligible studio partner is a production company who commits to occupy a Production Facility, which is defined in the program rules as a building or buildings in New Jersey used for Film Production Uses (also defined in the program rules) of at least 250,000 Square Feet (also defined in the program rules), for a period of at least ten years. A designated studio partner has no annual qualified production expenses commitment. The Authority is limited to only three studio partner designations. As amended by Chapter 81, the designation lasts for at least 10 years. After 10 years, the studio partner may decide to continue with the designation or may, at any point, terminate the designation.

Projects submitted by a Studio Partner Company are eligible for a 40 percent base tax credit and can capture additional excess above-the-line wage and salary expenses as qualified film production expenses. This would allow a Studio Partner Company to increase its potential award size on each Film Tax Credit application submitted after the designation. Above-the-line wages and salary are payments made to highly paid individuals like directors, producers, writers, and performers. Unlike the legacy film projects where only the first \$750,000 in wage and salary expense to each of these highly paid individuals can be included as a qualified film production expense, a Studio Partner Company may include excess above-the-line wages and salary over the \$750,000 limit up to certain caps. Studio partners can also include any amount of deferred compensation paid out up to four years after the end of production (and the certification of costs and issuance of tax credits) as a qualified film production expenses under the program.

Once approved, the designated studio partners must execute an approval letter detailing the conditions that the designated studio partner must satisfy to retain the designation, which include obtaining a temporary certificate(s) of occupancy within 36 months from approval of the designation with possible six-month extensions. Subsequently, the designated studio partner must execute an award agreement with the conditions and requirements of the

designation, such as maintaining a Production Facility of the minimum size (with exceptions for limited licensing or subleasing). Generally, if a designated studio partner is in default of its award agreement, the Authority can revoke the production company's studio partner designation making it available to future applicants; may recapture the excess benefit the studio partner received, such as the additional above-the-line wage and salary expense cap, increased tax credit percentage, and deferred compensation, for each Film Tax Credit Program application approved under the studio designation; and may reduce any approved award to eliminate such excess studio partner benefits from any film project for which tax credits have not been issued. However, as provided in Chapter 81, if the failure to comply is due to the failure occupy the production facility, a designated studio partner has certain protections against revocation of designation, recapture of tax credits, and reduction of awards if the reason for the failure is for reasons outside of the control of the studio partner. In anticipation of the rule amendments implementing Chapter 81, staff is proposing policy below related to these statutory protections.

Chapter 81 expanded on certain instances in the current rule proposals during which the Authority would not recapture for studio partners who are committing to occupy space at a designated film-lease production facility. Chapter 81 specifically provides that the authority will not recapture any issued credits withing the first year after lease execution and would extend the protections against recapture for another 12 months from the date the film-lease production facility commences construction as evidenced by building permits ("Safe Harbor Provisions").

Each subsequent Film Tax Credit Program applications submitted by a studio partner would be added to a separate studio partner project queue and any tax credit awards would draw down a separate studio partner allocation. The separate project queue and allocation pool would allow a studio partner project to continue to receive tax credits when the legacy allocation has been oversubscribed.

#### **Applicant Background:**

Paramount (NASDAQ: PSKY) is a global media, streaming and entertainment company that creates premium content and experiences for audiences worldwide. Driven by consumer brands, its portfolio includes CBS, Paramount Pictures, Nickelodeon, MTV, Comedy Central, BET, Paramount+, Pluto TV and Skydance's Animation, Film, Television, Interactive/Games and Sports divisions. The company holds one of the industry's most extensive libraries of TV and film titles. On August 7, 2025, media companies Skydance Media and Paramount Global closed a transaction to form a new entity known as "Paramount Skydance Corporation." This new agreement does not affect the application or applicant entity other than that its ultimate parent company is now Paramount Skydance Corporation.

#### **Project Description:**

Paramount, through its wholly owned subsidiary, Garden State Stages, LLC, has executed a

lease for a minimum of 10-years to occupy at least 250,000 square feet of film production use at 1888 Studios in Bayonne.

The lease would include approximately 113,500 square feet across five sound stages, 34,000 square feet of workshop space, 56,000 square feet of production office areas, 20,000 square feet of convertible flex areas, 13,000 square feet of grip and electric area, and a 50,000 square foot basecamp and backlot area.

The production facilities will be constructed by New Jersey Film-Lease Partner, 1888 Studios (Togus Urban Renewal, LLC), and are expected to be operational in early 2028. Paramount would not participate actively in the construction of the facilities other than provide feedback around the design applicable to its leased premises.

Authority staff are in receipt of a letter from Paramount in which Paramount explains that a substantial part of the basis for its decision to become a Studio Partner is its expectation that the current New Jersey Film and Digital Media Tax Credit Program will remain the same or become more beneficial to Studio Partners for the duration of its statutorily required New Jersey commitment period. Further, Paramount has advised that it would be to its detriment if the Program were negatively changed.

Authority staff have made no assessment of the potential detriment. Staff have advised Paramount that that the Authority is governed by this Board action but that the Authority cannot guarantee the Program will not be subject to legislative change.

**Policy Proposal:**

Staff recommends to the Board the following policies if the Act is terminated or materially reduced in ways impacting a designated Studio Partner (“Material Program Change”):

1. Absent any law to the contrary and consistent with the law terminating or materially reducing the Act and all other then applicable law, if the Act is terminated or materially reduced (each, a “Material Program Change”), a studio partner shall not be subject to (i) recapture of issued tax credits issued before the Material Program Change, or (ii) forfeiture, termination, or reduction of any film production tax credits (including for projected deferred compensation) for a film project for which a completed application has been submitted prior to the Material Program Change, on the basis of the studio partner designation solely on the basis of the termination or material reduction of the Act.
2. Absent any law to the contrary and consistent with the law terminating or materially reducing the Act and all other then applicable law, if, following a Material Program Change, a designated studio partner terminates the studio partner agreement with the Authority, which shall terminate designated studio partner’s designation, then, for completed applications submitted after the Material Program Change, the Authority shall (i) reduce any film production tax credits initially approved but not yet issued by eliminating the benefits solely available due to the designation and (ii) recapture from the studio partner the tax credits solely due to the designation for any film production tax credits issued. Such revocation, reduction, and recapture shall not extend to any film production tax credits or approvals described in clauses (i) and (ii) in paragraph 1 above.

Paramount Global Inc – Studio Partner Designation

c. For purposes of this policy, materially reduced shall be defined as a change that has a materially negative impact (including but not limited to a change to the law that would result in the studio partner's current lease with its landlord to no longer satisfy studio partner requirements) as demonstrated to the Authority's satisfaction, on the benefits that the designated studio partner reasonably expected to receive based on the Act and the rules, including the rules presented to the Board on the same date as this memorandum. Staff proposes this policy because of the significant investment required by studio partners in advance of any approvals for any tax credits based on the designation as a studio partner.

**Recommendation:**

1. Staff recommend that the Members designate Paramount as a Studio Partner. This approval is not an award of tax credits and is for the studio partner designation only.
2. Authority staff recommends the approval of two initial six-month extensions to the 36-month requirement for studio partners to provide Temporary Certificate(s) of Occupancy for at least 250,000 square feet of space at the project facility.
3. Finally, staff recommend approval of the policy stated above if the Act is terminated or materially reduced.

The designation is contingent on the execution of an approval letter, Studio Partner Award Agreement and satisfaction of conditions of approval including the following:

1. Every six months following approval, the applicant will submit a progress report that will include, but not be limited to, updates on the construction of the facility, and estimated dates of occupancy commencement; and
2. Within 48 months of approval (36-month requirement, plus two, six-month extensions), the applicant will submit, subject to provisions regarding a studio partner's failure to occupy due to reasons outside their control as described in the program regulations, the Temporary Certificate(s) of Occupancy for the project site, final floor plans indicating uses of each area, and evidence of final site control.



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Prepared by: Chris Del Vecchio



## **MEMORANDUM**

**TO:** Members of the Authority

**FROM:** Tim Sullivan, Chief Executive Officer

**DATE:** October 30, 2025

**SUBJECT:** Take Charge Program

### **Request:**

The Members are asked to approve:

1. The Take Charge Program ("Take Charge" or "the Program"), a pilot initiative designed to provide financial support for the installation of electric chargers for private fleets.
2. The utilization of \$50,000,000 from the Authority's allocation of New Jersey's Regional Greenhouse Gas Initiative ("RGGI") 2023-2025 auction proceeds.
3. Delegation of authority to the Chief Executive Officer to:
  - a) Approve individual applications for the Program in accordance with the terms set forth in this memo and the attached Program Specifications.
  - b) Expand Program eligibility to include institutional<sup>1</sup> (local government, non-profits) applicants if other state programs cannot adequately serve these groups.
  - c) Increase funding from \$50,000,000 to up to \$75,000,000 based on available RGGI funding if application demand exceeds the initial \$50,000,000 funding allocation.

### **Background:**

The Regional Greenhouse Gas Initiative (RGGI) is a multi-state, market-based "cap-and-invest" program that establishes a regional cap on carbon dioxide (CO<sub>2</sub>) emissions from the electric power generation sector, therefore allowing for auctioning of emissions rights. States use the proceeds from the CO<sub>2</sub> allowance auctions to invest in programs to help further reduce CO<sub>2</sub> and other greenhouse gas pollution, spur clean and renewable energy, and provide rate relief on energy bills. New Jersey's RGGI funds allocation is governed by the Global Warming Solutions Fund Act (P.L. 2007, c. 340).

Per New Jersey's RGGI Strategic Funding Plan, the State will deploy RGGI funds for 2023-2025 within four initiative categories. This proposed NJEDA program aligns with the second initiative: Catalyze Clean, Equitable Transportation.

The Program builds on existing programs at the state level and within the EDA, including the New Jersey Zero-Emission Incentive Program (NJ ZIP) and the NJ ZEV (Zero Emission Vehicle) Financing Program, that encourage the adoption of zero-emission vehicles and the reduction of carbon emissions from the transportation sector. The Program was also informed by responses to "Request for Information #258 for Electric Vehicle

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<sup>1</sup> Institutional entities are defined by the Department of Environmental Protection at NJAC 7:27D-1.2 to be those that serve "a non-profit or public purpose, such as a library, hospital, public school, institution of higher education, municipal utility, public recreation or cultural facility, or government entity."

Charging Grants” which was released by the EDA in July 2025. More than 19 respondents to the RFI highlighted gaps in existing state incentives for electric vehicle charging, in particular for private fleets. In addition, the Authority held a public webinar for stakeholders to share comments and feedback on a proposed grant program structure.

### **Program Overview:**

Take Charge is a first-come, first-serve grant program that will provide funding for charging infrastructure projects in New Jersey. The goal of the Program is to assist applicants by partially covering the costs, including hardware and related installation costs, of establishing electric vehicle charging infrastructure for private commercial fleets. Private fleets interested in adopting electric vehicles require consistently available and reliable charging infrastructure, but often face high costs for installation and site upgrades necessary for charger operation.

At this time, the Program will be open to charging projects serving private commercial fleets and will cover fifty percent of eligible project costs. Grant award amounts will range from a minimum of \$50,000 per project to a maximum of \$5 million. Applicants may be eligible for bonuses that can increase the award cap by 5% and may be stacked. The criteria for each are as follows:

- Projects located in Overburdened Communities (OBCs) or formally designated Adjacent Communities.
- Projects installing on-site renewable energy generation and/or energy storage systems to help manage power demand for chargers.
- Projects from small business applicants.

Multiple applications from the same entity (as determined by EIN) may be accepted, provided each project location has its own application, and provided that the total for all project locations does not exceed the \$5 million cap (plus any applicable bonuses).

The Program shall be implemented in accordance with the Program Specifications attached hereto as Appendix A.

### **Program Funding:**

The Program will be funded from \$50 million in 2023-2025 RGGI auction proceeds available to the Authority.

Administrative costs for the Program will not be funded from the \$50 million because those costs will be covered under RGGI administrative funding that is available to NJEDA independently from RGGI project funding.

Delegated authority is requested to utilize up to an additional \$25,000,000 in RGGI funds available to NJEDA to expand the pilot if the Program demand exceeds the initial \$50,000,000 funding allocation.

### **Grant Amounts:**

The minimum grant award size per project is \$50,000. The maximum grant award size is \$5,000,000, plus any stackable bonus. A single entity (as determined by EIN) may receive multiple grant awards provided those awards do not, in aggregate, exceed the maximum grant award size.

### **Delegated Authority:**

Staff requests from the Members delegated authority to the CEO approve individual applications to the Program in accordance with the terms set forth in the attached Product Specifications.

In addition, staff is requesting delegated authority to the CEO to expand eligibility criteria of the Program to include institutional (local government and non-profits) applicants in the future. Institutional entities are eligible to receive RGGI funds from NJEDA under N.J.S.A. 26:2C-51(b)(1). While other State programs currently serve these types of entities, it may be preferable to include them in this program if other program funding for these programs becomes unavailable or these programs are fully subscribed.

In addition, delegated authority to the CEO is requested to utilize up to \$25,000,000 in additional RGGI funding as available to increase the Program funding if application demand exceeds the initial \$50,000,000.

**Recommendation:**

The Members are asked to approve:

1. Take Charge, a pilot initiative designed to provide financial support for the installation of electric chargers for private fleets.
2. The utilization of \$50,000,000 from the Authority's allocation of New Jersey's Regional Greenhouse Gas Initiative (RGGI) 2023-2025 auction proceeds.
3. Delegation of authority to the Chief Executive Officer to:
  - a) Approve individual applications for the Program in accordance with the terms set forth in this memo and the attached Program Specifications.
  - b) Expand the Program eligibility to include institutional (local government, non-profits) applicants if other state programs cannot adequately serve these groups.
  - c) Increase funding from \$50,000,000 to up to \$75,000,000 based on available RGGI funding if application demand exceeds the initial \$50,000,000 funding allocation.



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Tim Sullivan, CEO

Prepared by: Jessica Parineet

Attachment: Appendix A –Product Specifications: Take Charge Program

**Appendix A**  
**Take Charge Program Specifications**  
**October 30<sup>th</sup>, 2025**

<b>Program Purpose</b>	<ul style="list-style-type: none"> <li>The goal of the Program is to reduce greenhouse gas emissions in the transportation sector by reducing the costs of installing electric vehicle charging infrastructure. The Program will accelerate the adoption of transportation electrification by supporting charging for commercial fleets.</li> </ul>
<b>Program Funding</b>	<ul style="list-style-type: none"> <li>\$50,000,000 of Regional Greenhouse Gas Initiative auction proceeds available to the Authority under the 2023-2025 RGGI Funding Plan.</li> </ul>
<b>Grant Amount</b>	<ul style="list-style-type: none"> <li>Minimum award amount per project: \$50,000</li> <li>Maximum award amount per EIN: \$5 million <ul style="list-style-type: none"> <li>The award amount will be capped at 50% of eligible project costs. The cap on eligible project costs can be increased by an additional 5% each on a per project basis as follows for each of the following factors: <ul style="list-style-type: none"> <li>Projects located in Overburdened Communities (OBCs) or formally designated Adjacent Communities. NJ's Environmental Justice Law (N.J.S.A 13:1D-157) defines overburdened communities as any census block group, as determined in accordance with the most recent United States Census in which: 1) at least 35 percent of the households qualify as low-income households; 2) at least 40 percent of residents identify as minority or as members of a State recognized tribal community; or 3) at least 40 percent of the households have limited English proficiency.</li> <li>Projects installing on-site renewable energy generation and/or energy storage systems to help manage power demand for chargers.</li> <li>Projects from small business applicants. For the purpose of the Program, a small business is defined as having 25 or fewer full-time employees in total OR less than \$5M in annual gross revenue.</li> </ul> </li> </ul> </li> <li>An applicant (determined by EIN) may apply for multiple projects across different sites so long as total funding awards do not exceed \$5 million in aggregate.</li> </ul>
<b>Eligibility Requirements</b>	<ul style="list-style-type: none"> <li>The Program will be open to for-profit commercial organizations that are purchasing and installing electric vehicle charging infrastructure in New Jersey.</li> <li>Eligible organizations must have 2 or more existing commercial-use vehicles (including light-duty, medium-duty, heavy-duty, off-road, or maritime vehicles). These vehicles must be registered in New Jersey OR domiciled in New Jersey OR otherwise plan to utilize the proposed charging infrastructure in New Jersey being supported under the Program. These existing vehicles can be electric vehicles or non-electric vehicles that the applicant is planning to transition to electric vehicles with the construction of the charging infrastructure. <ul style="list-style-type: none"> <li>Charging-as-a-service providers, including entities leasing chargers to fleet operators, OR property owners who are installing chargers on behalf of a tenant fleet may also apply provided they (1) install permanent charging infrastructure at a site in NJ and (2) have an agreement, letter of intent, or equivalent documentation indicating an identified commercial fleet operator that would otherwise meet the eligibility requirements of the Program.</li> </ul> </li> <li>Projects can consist of installation of new chargers to a property that already has existing chargers.</li> <li>If applicable, applicants must demonstrate that they have reviewed with their electric utility provider the feasibility of charger installation on the selected site prior to submitting their application and are aware of costs that may be involved with providing sufficient electrical capacity to the site based on this review.</li> </ul>



	<ul style="list-style-type: none"> <li>• The Applicant must also be in substantial good standing with the NJDOL and NJDEP. A current tax clearance certificate will need to be provided prior to application approval to demonstrate the applicant is properly registered to do business in New Jersey and in substantial good standing with the NJ Division of Taxation. A valid Applicant tax clearance certificate also is required prior to closing and disbursement of funds.</li> <li>• Applicants must satisfy the Authority's debarment/disqualification review and not be in default under any Authority program or have any outstanding obligations to the Authority.</li> <li>• If the applicant is leasing the site for charger installation, then they must demonstrate that the property owner has approved of the project. Tenants must also provide a valid lease for at least the length of the proposed project's construction timeline and the three-year compliance period. Applicants who have not yet finalized a lease for the total duration of the compliance period may be provided an exception provided the property owner certifies their intent to maintain or transfer usage of the chargers to a new tenant in the event of a non-renewal of the current lease.</li> </ul>
<b>Eligible Uses of Grant Funding</b>	<p>Eligible costs include, but are not limited to materials, labor***, and equipment for the following:</p> <ul style="list-style-type: none"> <li>• New Level 2 charging stations*</li> <li>• New Direct Current Fast Charging (DCFC) charging stations*</li> <li>• Delivery, activation fees, and warranty costs associated with new charging stations</li> <li>• Network subscription costs for up to three years*</li> <li>• "Make-Ready" costs including but not limited to upgrades of the electric power distribution system to the site, or wiring and electric work on the customer side of the electric meter necessary for charger installation</li> <li>• On-site renewable energy generation and/or battery storage systems to provide and/or store power for chargers <ul style="list-style-type: none"> <li>○ The amount of funding being allocated to this category cannot exceed more than 50% of the total eligible project cost</li> </ul> </li> <li>• Associated site upgrades necessary for charger installation and operation, including but not limited to signage, protective bollards, and pavement striping</li> <li>• Payments for the use of temporary mobile chargers and/or mobile battery storage systems**</li> <li>• Site assessment, engineering, and related design costs for the above items <ul style="list-style-type: none"> <li>○ A lookback period is included for any completed design related work (not-construction) looking back 12 months prior to application submission but no earlier than the date of Program NJEDA Board approval.</li> <li>○ The amount of funding being allocated to this category cannot exceed more than 15% of the total eligible project cost.</li> </ul> </li> </ul> <p>* Applicants must select a Pre-Qualified Network Service Provider from the list of Compliant Network Service Providers housed on the New Jersey Department of Environmental Protection (NJDEP) website.</p> <p>**Costs incurred for mobile chargers/batteries are eligible on the condition that permanent chargers are installed by the end of the allowable construction period. Additionally, eligible costs incurred beyond permanent charger installation (after project completion) are not eligible.</p> <p>***All construction work must be conducted by New Jersey Department of Labor and Workforce Development (DOL) Public Works registered contractors in accordance with NJ prevailing wage and affirmative action requirements.</p> <p>Ineligible costs include but are not limited to:</p> <ul style="list-style-type: none"> <li>• Level 1 charging stations</li> <li>• Chargers installed on residential properties for personal or non-commercial use</li> <li>• Electric vehicles</li> <li>• Permitting fees</li> <li>• Combustion-based generators or charging systems, including but not limited to combustion-based temporary or mobile chargers</li> </ul>

	<ul style="list-style-type: none"> <li>• Taxes</li> <li>• Charging related operating expenses such as electricity supply charges and maintenance costs</li> </ul> <p>For certain charging projects, applicants may be eligible for incentives directly from their electric utility such as utility-side or customer-side make ready costs. In this case, applicants are still eligible for the Program so long as the total grant amount received from both the EDA and the utility does not exceed 90% of the project's eligible costs. Applicants may not otherwise stack grant funding with any other charging incentive program offered by the State (DEP, BPU, DOT, etc.) or Federal government.</p>
<b>Application Process</b>	<p>Applications will be accepted on a rolling basis. The application will remain open until all available funding is reserved or until three (3) years after the date of application launch, whichever is sooner. If within the 3-year window, following the initial reservation of all the Program funds, previously reserved funding becomes available due to applicants not utilizing funding reservations, the application may be re-opened.</p> <p>Applicants will be provided a 10-business day cure period to correct submission deficiencies that are identified by staff as incomplete or incorrect. At the sole discretion of the Authority, staff may ask for additional information or clarification of the information included in the application, including, but not limited to, responses, documentation, and attachments. Applicants that are non-responsive or that do not provide complete responses to NJEDA requests for additional information will be notified by NJEDA staff via email that the application will be administratively withdrawn and not advance.</p> <p>In addition to other items, applicants must submit:</p> <ul style="list-style-type: none"> <li>• Fleet information such as model and registration for existing vehicles and plans for future vehicles (if applicable) <ul style="list-style-type: none"> <li>○ If the applicant is a charging-as-a-service provider or property owner applying on behalf of a tenant fleet, these details along with a signed agreement, letter of intent, or equivalent documentation between both parties will need to be submitted for the partner fleet</li> </ul> </li> <li>• Project description, including proposed quantity and type of chargers, and if applicable, plans for on-site energy generation/storage systems</li> <li>• Project site address and property information <ul style="list-style-type: none"> <li>○ Including proof of property ownership or lease agreement for the required duration of construction and program compliance terms (see Eligibility Requirements)</li> </ul> </li> <li>• Estimated project timeline</li> <li>• Cost estimate budget spreadsheet including a total requested grant amount using NJEDA template, which is supported by: <ul style="list-style-type: none"> <li>○ Quote(s) from contractor(s) that are registered with NJDOL as a Publics Works Registered Contractor with costs consistent with New Jersey State prevailing wage rates</li> <li>○ Vendor quotes or similar retail price information for any relevant items/equipment to be purchased directly by the applicant</li> </ul> </li> </ul> <p>If an applicant is determined to be eligible, the EDA will issue an approval letter with a maximum potential grant award amount based on the information submitted by the applicant.</p> <p>NJEDA grant award amounts will not be adjusted following notice of application approval. The Applicant will be responsible for any additional or unexpected project costs, even if relevant to the eligible project scope.</p>
<b>Grant Disbursement</b>	<p>Applicants will have six months from application approval to present the EDA with the following:</p> <ol style="list-style-type: none"> <li>1. Confirmation from the utility provider for existing electrical service capacity OR confirmed plans and schedule from the utility provider to provide any additional needed capacity for the proposed charging project OR confirmation that charger power needs will be met with non-utility sources (existing on-site generation, proposed renewable generation, etc.)</li> </ol>

	<p>2. Proof of funding/project financing plan for total estimated project costs plus an additional 15% of overall project costs as contingency to allow for potential cost overruns that may arise during construction. Proof of funding can include bank account statements, financing agreement, or similar indication of available working capital for the project costs. Additional financing provided by NJEDA may be used to cover project costs not eligible under the Program. Additional financing provided by NJEDA may also be used to cover project costs paid up front by the Applicant prior to submitting for grant reimbursement.</p> <p>Additional six-month long extensions may be provided subject to the discretion of the Authority.</p> <p>After these items are provided, a grant agreement will be executed, and funding will be available for disbursement as follows:</p> <ol style="list-style-type: none"> <li>1. At the time of grant agreement execution, up to 15% of the approved award amount may be reimbursed for any expenses incurred for site assessment, design, and engineering completed in the 12 months prior to application submission and/or between time of application and grant execution.</li> <li>2. A maximum of 50% of the total awarded grant, minus any amount disbursed following grant agreement execution, may be reimbursed after at least half of total estimated eligible project costs have been incurred by the Applicant.</li> <li>3. The remaining amount of the grant award utilized on eligible expenses pursuant to the grant agreement will be disbursed as a reimbursement following project completion and submission of final disbursement documents, including proof of completed charging project and charger connectivity.</li> </ol> <p>Applicants will have 24 months following grant agreement execution to complete the project and submit all documents required for reimbursement, with the possibility of six-month extension(s) of this timeframe at the discretion of the Authority. Reimbursement will be based on submitted proof of actual project expenses (receipts, contractor invoices, etc.), signed progress/completion documents, and project photos. NJEDA reserves the right to conduct site visits during and following completion of construction activities to confirm that work is being completed by New Jersey Department of Labor and Workforce Development (DOL) Public Works registered contractors in accordance with eligible uses for the Program and all prevailing wage and affirmative action requirements.</p>								
<b>Compliance and Reporting</b>	<p>Following project completion and final disbursement of funds, awardees must supply charger usage data to the Authority for a period of three continuous years. To simplify sharing of data, applicants must select software that is already pre-qualified and listed as a Compliant Network Service Provider on the New Jersey Department of Environmental Protection website. If the awardee is unable to maintain operation of the charging site within the three-year compliance term, they must either assign a new owner or the Authority will impose a recapture of the grant award on a prorated basis as follows:</p> <table border="1"> <thead> <tr> <th>Year of Compliance event of default within</th><th>Recapture Percentage</th></tr> </thead> <tbody> <tr> <td>1 year from project completion</td><td>100%</td></tr> <tr> <td>2 years from project completion</td><td>60%</td></tr> <tr> <td>3 years from project completion</td><td>30%</td></tr> </tbody> </table>	Year of Compliance event of default within	Recapture Percentage	1 year from project completion	100%	2 years from project completion	60%	3 years from project completion	30%
Year of Compliance event of default within	Recapture Percentage								
1 year from project completion	100%								
2 years from project completion	60%								
3 years from project completion	30%								
<b>Fees</b>	<p>NJEDA will charge applicants the following fees unique to the Program given the availability of RGGI administrative funding to cover the Program administrative costs:</p> <p>Non-refundable \$500 fee paid at time of application submission per project application.</p>								



## **MEMORANDUM**

**TO:** Members of the Authority

**FROM:** Tim Sullivan  
Chief Executive Officer

**DATE:** October 30, 2025

**SUBJECT:** New Jersey Innovation Evergreen Fund: October 2025 Qualified Investment Approval

### **SUMMARY**

The Members are asked to approve a Qualified Investment presented today under the New Jersey Innovation Evergreen Program (“Program”) for an application submitted by Pier 70 Ventures LLC (“Pier 70 Ventures” or “Pier 70”), a Qualified Venture Firm (“QVF”) to invest into Antigenix Therapeutics Inc (“Antigenix” or “Company”). The Qualified Investment recommendation is for an investment up to \$1,000,000, of which \$500,000 is expected to be deployed upon closing, and an additional \$500,000 to be deployed upon the successful completion of a performance milestone. Additional management fees and expenses reserved as described in this memorandum. The approval will allow Staff to utilize Program funds to execute a Qualified Investment into a Qualified Business alongside Pier 70 Ventures. Additionally, upon approval of this investment, Staff will reserve Program capital for subsequent follow-on investments into the Qualified Business and for management fees and direct administrative expenses required to support the investment, as authorized in Program regulations, and described in this memorandum.

### **BACKGROUND**

The New Jersey Innovation Evergreen Act (“Act”) (N.J.S.A 34:1B-288 to 302) was signed into law by Governor Murphy as part of the Economic Recovery Act of 2020 (N.J.S.A. 34:1B-269 *et seq.*). In April 2022, the Board of the Authority approved specially adopted and concurrently proposed New Jersey Innovation Evergreen Fund regulations (N.J.A.C. 19:31-25 *et seq.*), which were approved for submission to the Office of Administrative Law for publication in the New Jersey Register as final adopted rules in March 2023. The Act established both the New Jersey Innovation Evergreen Fund (“NJIEF”, or “Evergreen Fund”) and the Program, which supports the private sector’s investment in high growth New Jersey-based companies. The Program will increase venture capital funding available to the State’s innovation ecosystem and create the conditions necessary for entrepreneurs to succeed. As of October 17, 2025, approximately \$6.8 million of unallocated capital remains available for Program investments and expenses.

To invest the Evergreen Fund monies, the Program establishes an application process through which venture firms first may apply for designation as a QVF. Applications for QVFs opened on December 16, 2022, and as of October 17, 2025 26 Qualified Venture Firms have been approved to operate on the platform. Qualified Venture Firm are approved by staff pursuant to an updated delegated authority approved by the Members on April 10, 2024.

### **Qualified Investment Review Process**

To access Program co-investment capital, Qualified Venture Firms may apply for Qualified Investments on a rolling basis. Applications for Qualified Investments opened on May 23, 2023. NJEDA Staff recommendations are presented to the Members for consideration upon completion of eligibility review of the Qualified Business and Qualified Venture Firm associated with the Qualified Investment transaction. Such Qualified Investments in New Jersey-based businesses must receive co-investment from the Qualified Venture Firm that matches or exceeds the Qualified Investment amount. Upon approval for a Qualified Investment and as required by the Program rules, Qualified Venture Firms will establish a special purpose vehicle (“SPV”) to facilitate the Qualified Investment transaction between the Evergreen Fund, the Qualified Venture Firm, and the Qualified Business. As the Evergreen Fund’s investments mature and experience exit events (e.g. a sale or initial public offering), the proceeds from profitable investments will flow back to the Evergreen SPV. Proceeds will be used to make carried interest payments to the Qualified Venture Firm and to transfer remaining capital back to the Evergreen Fund, providing an ongoing stream of funds to support the State’s innovation ecosystem.

Qualified Venture Firms may apply to the Authority to access capital in the Evergreen Fund to make up to two initial Qualified Investments per year into eligible New Jersey-based high-growth businesses. Applications must be submitted to the EDA within 90 days of the date of the transaction by the QVF into the high-growth business. Each request for a Qualified Investment may be as much as the Program investment limit of \$5 million, or up to \$6.25 million for businesses that meet any of the following criteria: i) certified by the State as a “minority business” or “women’s business” pursuant to P.L. 1986, c. 195 (N.J.S.A. 52:27H-21.17 et seq.), ii) considered a NJ university spin-off business, or iii) utilizes intellectual property that is core to its business model and was developed at a NJ-based college or university.

The recommendation presented to Members for consideration this month represents the Program’s eleventh Qualified Investment and is for an investment of up to \$1,000,000 of Program capital alongside Pier 70 Ventures into the innovative, high-growth company, Antigenix. Pier 70 Ventures negotiated a term sheet with the Company to purchase \$1,000,000 worth of Series Seed Preferred Stock to be deployed in two tranches based on the completion of a performance milestone. An initial \$500,000 of Pier 70’s investment will be committed upon execution of transaction agreements, and any Program investment is nondiscretionary and contingent upon Pier 70 successfully executing its investment into Antigenix. Based upon the projections provided by Pier 70 Ventures, and following approval by the Members, the Program will reserve an additional \$175,000 for management fees and \$215,000 for direct administrative expenses required to execute and manage the Qualified Investment. Reserves are subject to adjust at least annually based upon guidance from Pier 70 Ventures.

Please refer to **Appendix A** for a summary of Creative Ventures and an overview of the firm’s eligibility as a Qualified Venture Firm. Please refer to **Appendix B** for a summary of Antigenix

and of the business's eligibility as a Qualified Business. Finally, please refer to **Appendix C** for an overview of the proposed Qualified Investment transaction terms and related reserves for follow-on investments, transaction management fees, and direct administrative expenses.

### **QUALIFIED INVESTMENT REQUIREMENTS**

Qualified Venture Firms may submit applications for Qualified Investments funded by the Program after receiving NJEDA Board approval as a Qualified Venture Firm or in conjunction with an application for certification as a Qualified Venture Firm. While applications for Qualified Investments are submitted by Qualified Venture Firms, the applications contain information about both the Qualified Venture Firm and the proposed Qualified Business seeking capital. Staff conducts reviews of investment applications on a first-come, first-served basis and screen both Qualified Venture Firms and proposed Qualified Businesses as part of the transaction for eligibility.

The Program investment underwriting process is completed by the NJEDA Venture Programs Department in parallel with the Product Operations Department to ensure objectivity and is limited to an eligibility review of the Qualified Investment, Qualified Venture Firm, and proposed Qualified Business. The eligibility review contains various statutory requirements that ensure the financial merit of the proposed investment, such as requiring certain experience and assets under management by the Qualified Venture Firm, as well as requiring an investment by the Qualified Venture Firm's main fund that is at least equal to the amount of the Qualified Investment. The latter ensures that the Qualified Venture Firms share aligned interests with the NJEDA through incentive based carried interest compensation to identify strong investment opportunities. However, the Program does not establish any additional review by staff for the financial merits of the proposed investment. Qualified Venture Firms will evaluate the quality of investment opportunities through their normal course of business. For a detailed description of Program eligibility and compliance requirements, see **Appendix D**.

### **FOLLOW-ON INVESTMENT REQUIREMENTS**

The Program authorizes subsequent follow-on investments alongside Qualified Venture Firms into Qualified Businesses after the initial Qualified Investment. The Authority shall have the right, but not the obligation, to make a follow-on investment from the Evergreen Fund into the Qualified Business. Follow-on investments will be made on a pro rata basis with the Qualified Venture Firm's investment at the same ratio, which the Evergreen Fund matched the initial Qualified Investment.

The screening process for follow-on investments requires NJEDA Staff to verify that firms and businesses continue to meet Program requirements, and that the transaction conforms to Program eligibility and concentration limits. Staff will also screen for any clear signs of financial, reputational, or legal risks. As previously approved by the Board of the Authority, follow-on investments may be approved under delegation to the Authority's Chief Executive Officer (with certain exceptions) to best match operational needs and intensity with the expectations of the private market transaction. Staff is not recommending reserving for follow-on investments at this time, however will periodically adjust follow-on reserves, no less than annually, based on the amount of capital reserved for follow-ons by the Qualified Venture Firm, and other factors

including expected timing of follow-on investments and the amount of Program unallocated capital available.

**RECOMMENDATION:**

Based on the evaluation conducted by Authority staff, according to the criteria established by the Act, and clarified through Program regulations and the April 2022 Program Board memorandum, approval for an amount up to a \$1,000,000, of which \$500,000 is expected to be deployed upon the successful execution of Program contracts, and an additional \$500,000 to be deployed upon the completion of a performance milestone. The Qualified Investment will occur alongside Pier 70 Ventures' matching investment of no less than \$1,000,000 deployed across two 500,000 tranches into the innovative, high-growth New Jersey-based company Antigenix is recommended, conditioned on the execution of Program closing agreements, along with expected associated management fees of up to an additional \$175,000 and for expected associated direct administrative expenses of up to an additional \$215,000.



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Tim Sullivan, CEO

Tim Sullivan, Chief Executive Officer

Prepared by:

Kremena Mironova – Senior Product Officer, Venture Products

Alexander Pachman – Manager, Venture Products

Attachments:

Appendix A – Summary of Qualified Venture Firm and Eligibility

Appendix B – Summary of Qualified Business and Eligibility

Appendix C – Confidential Summary of Transaction Details

Appendix D – Detailed Program Eligibility and Compliance Requirements

## **Appendix A – Summary of Qualified Venture Firm and Eligibility**

### **Overview:**

Pier 70 Ventures is a diverse and women-led Seattle-based venture capital firm focused on investing in emerging technology companies. Their first fund aims to bridge the financial and cultural divides between impact investors and diverse founders leading breakthrough technology companies in the healthcare sector. The fund targets market rate returns while investing in companies run by diverse entrepreneurs, addressing unmet needs in underrepresented communities or offering services and technologies in the healthcare sector.

Their first fund, the INpact Fund, is a \$32 million fund anchored by prominent institutional investors in the healthcare space. The fund was closed in July 2023 and has made 7 investments since. The firm also manages capital through a separate geography-focused fund to invest in opportunities based in Washington state.

### **Strategy:**

The firm invests in digital health, precision health, medical technology, health analytics and services, and patient-centric MedTech and wearables. Pier 70 Ventures aims to generate a social impact while delivering economic benefits to stakeholders, emphasizing a triple bottom line approach: market-driven financial returns, wealth generation for diverse entrepreneurs and employees, and local economic and health parity.

Pier 70 targets early-stage investments in businesses led by founders from historically underserved backgrounds, with a focus on diagnostics, devices, health services, health tech, logistics, precision medicine, and smart health. The firm targets a 3x+ net multiple on invested capital (MOIC) and a 30%+ net internal rate of return (IRR).

### **Investment and Management Team:**

Pier 70 Ventures leverages its extensive network and investment experience to access unique deals and support innovation from diverse entrepreneurs. The management team has a strong track record in venture capital, private equity, and healthcare investments, with significant experience in building strategic investment syndicates and accelerating early-stage innovation.

Shaun Hawkins is a Managing Partner at Pier 70 Ventures with over 20 years of experience as a successful transaction executive and healthcare investor. He has a strong background in building strategic investment syndicates and accelerating early-stage innovation. Shaun previously held the position of Vice President of New Ventures and Private Equity investing at Eli Lilly and Company, where he was responsible for the company's life science venture capital, private equity, and venture formation activities.

Shaun co-created The Capital Funds Portfolio, a \$450 million portfolio of investment funds and vehicles focused on capital-efficient investments in disruptive innovation. He has also served as an advisor to Epidarex Capital, TVM Life Sciences, and Carrick Therapeutics. Additionally, Shaun has held board positions at Invesque, Inc, Accelerator Corp, Audion Therapeutics, ImmuneWorks Inc, and Zymeworks Inc.

Shaun holds a Bachelor of Science degree from the University of Tennessee and an MBA from Northwestern University's Kellogg School of Management.



Dr. Preetha Ram is a Managing Partner at Pier 70 Ventures with over 20 years of experience as a successful entrepreneur, educator, scientist, and thought leader. She co-founded and served as CEO of OpenStudy, a pioneering B2C EdTech peer learning platform that served over 60 million users globally. The platform offered social behavioral analytics-based products and successfully exited.

Dr. Ram has held several prestigious academic positions, including Dean for Science at Emory University, Associate Provost at Harrisburg University of Science and Technology, and Executive Dean at Alliant International University. She has mentored over 30 science and technology startups, focusing on AI, EdTech, predictive analytics, and emotional wellness. Additionally, she has served as an advisor to the Miller Center for Social Entrepreneurship at Santa Clara University, the Korean Innovation Center, and MeetLatAm.

Dr. Ram holds a Master of Science degree from the Indian Institute of Technology, an MBA from Emory University, and a PhD in Biophysical Chemistry from Yale University.

R. Miller Adams is a Managing Partner at Pier 70 Ventures with over 30 years of experience in senior executive roles, including P&L, operations, private equity, and corporate board responsibilities. He has held several significant positions at The Boeing Company, including Vice President of Global R&D Strategies and President of Boeing Phantom Works Investments Inc. In these roles, he was responsible for enterprise tech planning, university research, industrial participation, and global R&D.

Miller created the Chairman's Innovation Initiative program and the Global Venture Capital Investment Strategy, a Fund of Funds that grew to a \$250 million portfolio of 32 venture funds, delivering \$1.5 billion in value to the company. He also served as Executive Vice President for Corporate Affairs, General Counsel, and Secretary at Integral Systems, where he successfully led negotiations with the SEC and Nasdaq and oversaw the sale of the business with a 16.6% premium to shareholders.

Miller has served on the boards of Accenture Federal Services, Swedish Medical System, and Harvey Mudd College. He holds a Bachelor of Arts degree from Seattle University and a Juris Doctor degree from the University of Puget Sound School of Law (now Seattle University).

#### New Jersey Investment History:

The proposed investment into Antigenix will be Pier 70's first investment in a New Jersey-based business.

## **Appendix B – Summary of Qualified Business and Eligibility**

### **Antigenix Therapeutics Inc Business Overview**

Antigenix Therapeutics is a platform-based biopharmaceutical company focused on developing monoclonal antibody-based products for the precision treatment of cancer, autoimmune disorders, and other serious diseases. The company's primary current asset (AGX-010) focuses on selectively activating on the surface of malignant epithelial cells, including those in triple-negative breast cancer, ovarian, prostate, and colon cancers.

Antigenix's antibody-drug conjugate (ADC) platform leverages a novel antigen target, allowing the discovery and advancement of unique targeted therapies with curative potential. The platform targets multiple cancers, including triple-negative breast cancer, castration-resistant prostate cancer, non-small cell lung cancer, ovarian cancer, and mantle cell lymphoma. Antigenix's technology merges a biologically validated, tumor-specific target with a clinically proven ADC chemotype, underpinned by strong preclinical efficacy and a flexible modular platform.

The company's proprietary ADC platform was developed by the renowned cancer researcher Dr. Joseph R. Bertino, former head of both Yale Cancer Center and the Rutgers Cancer Institute of New Jersey. Antigenix holds an exclusive, worldwide, and sublicensable license to a foundational patent portfolio from Xiconic Pharmaceuticals. The licensed IP originated from research at Rutgers University and Georgetown University and includes both issued utility patents and pending applications related to ActM-targeting antibodies in therapeutic, diagnostic, and ADC settings. Patent protections currently extend into 2037-2039, with potential for patent life extension through new composition claims on the humanized antibodies and advanced linker-payload configurations.

The company's go-to-market and regulatory strategy is modeled on recent accelerated oncology approvals, targeting potential Breakthrough Designation and BLA filing post-Phase II.

Antigenix will locate in NJ (rather than Indiana) due to Program's planned investment and the State's strong life sciences ecosystem. The company will be based out of the Princeton Innovation Center BioLabs and the CEO will be splitting time between Indiana and NJ as the company builds its NJ team.

### **Team**

The team at Antigenix Therapeutics is composed of highly experienced leaders with deep expertise in antibody engineering, ADC development, clinical oncology, and venture-backed company building.

**Christopher Whitfield – Chief Executive Officer:** Christopher Whitfield has over 30 years of experience in senior and executive leadership roles at leading biopharmaceutical companies worldwide. He has served as Executive Director and Regional General Manager of Africa for Gilead Sciences, focusing on global commercialization and health equity. Before Gilead, Christopher founded several healthcare-related companies over a 13-year period, dedicated to expanding the African market with innovative, patient-centered technologies and integrating global solutions for the continent. His past partners include Eli Lilly and Company, Amgen, General Electric, Hitachi, SOBI, and Thermo Fisher. Prior to his entrepreneurial ventures, Christopher was CEO and General Manager of Eli Lilly South Africa and held various leadership roles at Eli Lilly and Company over his 17-year career there.

Dowdy Jackson, Ph.D. – Chief Scientific Officer: Dr. Dowdy Jackson is a biopharmaceutical executive and ADC innovator with over 25 years of experience. He has led therapeutic programs from discovery through IND and into the clinic, including multiple ADCs that achieved FDA approval. His previous roles include Executive Director of ADC Biology at Innovent Biologics and senior scientific leadership roles at Ambrx, Agensys (Astellas), and MedImmune (AstraZeneca).

Kirk Taylor, M.D. – Chief Medical Officer: Dr. Kirk Taylor is a biopharmaceutical executive and practicing neurologist with over 25 years of experience in clinical development and medical affairs across oncology, neurology, and rare diseases. He has held senior leadership roles at multinational pharmaceutical companies, biotech firms, and venture-backed startups. His previous roles include Chief Medical Officer and EVP at Brainstorm Cell Therapeutics and SVP of North American Medical Affairs at EMD Serono (Merck KGaA).

### Eligibility

NJEDA Staff finds the proposed Qualified Business, Antigenix Therapeutics, meets all Program Qualified Investment eligibility requirements. As described in Table 1 below, the Princeton-based, high-growth, innovative business maintains a place of business and its principal business operations in New Jersey and falls within the Qualified Business size limit of fewer than 250 full-time employees. Additionally, Antigenix operates in the Program-targeted life sciences industry and satisfies the Program’s high-growth test using forward-looking projections prepared by Pier 70 Ventures showcasing the company’s projected valuation increase of approximately 60% per year over the next 5 years. Finally, the proposed Qualified Investment size of \$1,000,000 is within the concentration limit of aggregate investments into any Qualified Business of 10 percent of the Program’s uninvested and invested capital.

Table 1: JOGO Health Eligibility Review

Criteria	Criteria Explanation	Eligibility
NJ Principal Business Operations	Qualified Businesses must maintain principal business operations in New Jersey, defined as any of the following: (i) at least 50 percent of its full-time employees reside in New Jersey, (ii) at least 50 percent of the business’s payroll (defined as wages) for full-time employees is paid to individuals living in the State, (iii) at least 50 percent of its full-time employees filling a position in the State, or (iv) at least 50 percent of the business’s payroll (defined as wages) for full-time employees is paid to individuals filling a position in the State.	1 out of Antigenix’s 2 full-time employees reside and work in New Jersey.
NJ Place of Business	Qualified Businesses must maintain a place of business in New Jersey, such as an office, manufacturing facility, or co-working space.	Antigenix Therapeutics has established their corporate headquarters at the Princeton Innovation Center Biolabs in

		Princeton, New Jersey as of July 15 <sup>th</sup> , 2025.
Targeted Industry	Qualified Investments will be restricted to businesses operating in one of the following program targeted industries: advanced transportation and logistics, advanced manufacturing, aviation, autonomous vehicle and zero-emission vehicle research or development, clean energy, life sciences, hemp processing, information and high technology, finance and insurance, professional services, film and digital media, non-final point of sale retail food and beverage businesses, including food innovation, and other innovative industries that disrupt current technologies or business models. Qualified Business shall be considered to be in a targeted industry if the business is engaged primarily in a targeted industry.	Antigenix operates in the Program-targeted life sciences industry.
Limit on Business Size	Qualified Businesses must employ fewer than 250 full-time employees.	Antigenix maintains 2 full-time employees, as evidenced by offer letters, employee payroll records, and an employee log.
High-growth Business	<p>Qualified Businesses must demonstrate they are high-growth business by meeting one of the Program's high-growth tests. To meet the program's high-growth test, Qualified Businesses may demonstrate trailing twelve-month revenue or customer growth of at least 25% as of the most recent quarter-end, or valuation growth of 25% since their prior fundraising round.</p> <p>Businesses that are too early in their life cycle to record one year of sales or customers and that have not previously raised third-party equity capital may demonstrate they meet the Program's high-growth test through third-party projections. For these businesses, Qualified Venture Firms may submit their base case projections and businesses may be considered high-growth if the projections demonstrate 25% revenue, customer, or valuation growth in any, one-year period over the subsequent 3-5 years.</p>	<p>Antigenix satisfies the Program's high-growth test using forward-looking projections prepared by Pier 70 Ventures showcasing the companies projected valuation growth of approximately 60% per year for the next 5 years.</p> <p>Forward-looking projections are permissible in this case, as Antigenix has less than one year of revenue and customers and has not previously raised third-party priced equity round of financing.</p>

Concentration Limits on Businesses	The Program will limit aggregate investments into any Qualified Business to 10 percent of the Program's uninvested and invested capital.	The proposed \$1,000,000 Qualified Investment represents roughly 2% of the Program's uninvested and invested capital.
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Note: Table 1 depicts the Program's primary Qualified Business eligibility requirements, however the Program maintains additional technical requirements, such as the requirement to register to do business in the State.

## **Appendix D – Detailed Program Eligibility and Compliance Requirements**

### **QVF and Investment Requirements at Time of Initial Qualified Investment**

QVFs must demonstrate continued compliance with Program initial certification requirements described in this memorandum through the time of approval for a Qualified Investment. The firms are not re-evaluated based on the Program’s weighted scoring criteria at the time of application for Qualified Investment. Continued eligibility requirements for Qualified Venture Firms required at the time of application for initial Qualified Investments include, but are not limited to, those described below, which are further defined in the Program regulations.

1) Number of Investors Employed by the Firm: QVFs must continue to employ at least two full-time investors with the authority to direct investment capital with at least five years of professional money management experience (each) at the time of application.

2) Minimum Assets Under Management: QVFs must continue to maintain at least \$10,000,000 in assets under management at the time of application.

3) Limit on Size and Number of Investments: QVFs may only complete up to two qualified investments per calendar year. Applications for investments shall not be less than \$100,000 per Qualified Investment and must be limited to \$10,000,000 per investment. If the proposed Qualified Business is a New Jersey university spin-off, utilizes intellectual property developed at a NJ university that is core to its business model, or is certified by the State as a “minority business” or a “women’s business” pursuant to P.L. 1986, c. 195 (N.J.S.A. 52:27H-21.17 et seq.), the businesses may qualify for a Qualified Investment of up to \$12,500,000.

In cases where multiple Qualified Venture Firms apply for investments into the same business, applications will be approved on a first-come, first-served rolling basis until the initial investment dollar limit for any given business is reached. Multiple firms can invest into the same Qualified Business up to a \$10,000,000 aggregate initial investment limit, or \$12,500,000 limit for select types of companies, if the investments occur in the same fundraising round.

4) Concentration Limits on Qualified Venture Firms: To mitigate concentration risk, Qualified Venture Firms may only receive aggregate Program capital across investments up to 15 percent of the firm’s total assets under management, to be tested at the time of initial and follow-on investment application. If the Program is unable to fulfill a QVF’s entire request for investment due to investment size and concentration risk policies or an availability of funds, a QVF may amend the amount requested through its investment application.

5) Initial Investments by a Firm: Any initial Qualified Investment by the Program must represent the Qualified Venture Firm’s first investment into the business. This requirement is intended to prevent venture firms from using Program capital to prop-up failing investments.

In instances where the QVF’s Active Fund or affiliate has previously provided capital to a Qualified Business through Simple Agreements for Future Equity (SAFEs) or convertible

notes, the Program may match the QVF's Active Fund's subsequent investment in the Qualified Business, so long as the investment represents the fund's initial investment in the business for the purchase of shares of stock. The aggregate amount of a QVF Active Fund's initial purchase of shares of stock in the Qualified Business must be greater than, or equal to, the aggregate amount of capital a QVF Active Fund or affiliate has previously provided to the Qualified Business, excluding in-kind services provided.

6) Timing of Investment Application: Qualified Venture Firms must have at least begun negotiations over a draft term sheet with a business before applying for a Qualified Investment. In all cases, an executed stock purchase agreement, which finalizes the terms of the investment between the Qualified Venture Firm and the proposed Qualified Business, must be submitted by the Qualified Venture Firms to close on an approved Qualified Investment. The investments must be part of the same fundraising round and on equal terms.

#### Qualified Business Requirements at Time of Initial Qualified Investment

Proposed Qualified Businesses must also meet Program eligibility requirements prior to Qualified Venture Firms receiving approval for a Qualified Investment into the business. Eligibility is reviewed by NJEDA Staff from the Venture Programs Department in parallel with the Product Operations Department to ensure objectivity of review. Qualified Business eligibility requirements at the time of application for an initial Qualified Investment include, but are not limited to, those described below.

1) New Jersey Principal Business Operations: Qualified Businesses must maintain principal business operations in New Jersey, defined as any of the following: (i) at least 50 percent of its full-time employees reside in New Jersey, (ii) at least 50 percent of the business's payroll (defined as wages) for full-time employees is paid to individuals living in the State, (iii) at least 50 percent of its full-time employees filling a position in the State, (iv) at least 50 percent of the business's payroll (defined as wages) for full-time employees is paid to individuals filling a position in the State, or (v) the location where the business's high level officers direct, control and coordinate the business's activities is in New Jersey and New Jersey has the largest percentage of the business's U.S. based full-time employees who are not primarily engaged in retail sales.

2) New Jersey Place of Business: Qualified Businesses must maintain a place of business in New Jersey, such as an office, manufacturing facility, or co-working space.

3) Targeted Industry: Qualified Investments will be restricted to businesses primarily operating in one of the following program targeted industries: advanced transportation and logistics, advanced manufacturing, aviation, autonomous vehicle and zero-emission vehicle research or development, clean energy, life sciences, hemp processing, information and high technology, finance and insurance, professional services, film and digital media, non-final point of sale retail food and beverage businesses, including food innovation, and other innovative industries that disrupt current technologies or business models.

4) Limit on Business Size: Qualified Businesses must employ fewer than 250 full-time employees.

5) High-growth Business: Qualified Businesses must demonstrate they are high-growth business by meeting one of the Program's high-growth tests. To meet the program's high-growth test, Qualified Businesses may demonstrate trailing twelve-month revenue or customer growth of at least 25% as of the most recent quarter-end, or valuation growth of 25% since their prior fundraising round.

Businesses that are too early in their life cycle to record one year of sales or customers and that have not previously raised third-party equity capital may demonstrate they meet the Program's high-growth test through third-party projections from the Qualified Venture Firm. For these businesses, QVFs may submit their base case forward-looking projections and businesses may be considered high-growth if the projections demonstrate 25% revenue, customer, or valuation growth in anyone-year period over the subsequent 3-5 years.

6) Concentration Limits on Qualified Businesses: The Program will limit aggregate investments into any Qualified Business to 10 percent of the Program's uninvested and invested capital.

### **QUALIFIED VENTURE FIRM COMPLIANCE REQUIREMENTS**

Qualified Venture Firms must submit an annual report to the Authority demonstrating they remain in compliance with Program requirements. Ongoing compliance requirements include continuing to maintain at least \$10,000,000 in assets under management and two full-time investors employed to direct investment capital with at least five years of professional money management experience. QVFs must also submit documentation demonstrating the firm's efforts to identify New Jersey-based investment opportunities.

Additionally, Qualified Venture Firms that received points through the Program's weighted criteria evaluation model for maintaining robust diversity, equity, and inclusion or New Jersey Incentive Area investment policies must demonstrate best efforts to comply with their policy goals. Firms that fail to do so will be rescored through the weighted criteria evaluation model and risk decertification should their score fall below the minimum acceptable score.

The annual reports will also include important information pertaining to program Qualified Investments, such as audited financial statements of the Evergreen SPV established to execute the Qualified Investment and Qualified Venture Firm Active Fund. Firms that fall out of compliance with program requirements risk decertification.

### **QUALIFIED BUSINESS COMPLIANCE REQUIREMENTS**

Qualified Businesses that receive Qualified Investment capital from the Evergreen Fund must meet ongoing compliance requirements throughout the Qualified Business Compliance Period, which is the period starting with the initial Qualified Investment and ending with the sale or other disposition of all shares of stock of the Qualified Business from the Evergreen SPV, including any distribution of the shares to the NJEDA. If the distribution of the shares of stock from the Evergreen Fund SPV to the NJEDA occurs in less than five years after the Qualified Investment, the Qualified Business Compliance Period shall be five years or such other shorter Qualified Business Compliance Period determined by the NJEDA, which may be based on factors including,



but not limited to, the number of the Qualified Business full-time employees filling a position in New Jersey.

Throughout the Qualified Business Compliance Period, Qualified Businesses that receive a Program Qualified Investment must maintain a place of business and their principal business operations in New Jersey, as described in this memorandum. Compliance will be tested annually, and businesses that fail to meet ongoing requirements will receive a one-year grace period to come back into compliance. If Qualified Businesses fail to continue to meet Program compliance requirements following the conclusion of the one-year grace period, the NJEDA may exercise its right of redemption to require the Qualified Business to redeem the shares purchased with the Qualified Investment and any follow-on investments for an amount equal to the greater of the cost of the Qualified Investment plus follow-on investments or the fair market value of the shares at the time of the redemption demand. If the Qualified Venture Firm or any other investor offers to purchase the shares for the same amount as set forth above, the NJEDA may accept such purchase instead of redemption.



To: Members of the Authority

From: Tim Sullivan  
Chief Executive Officer

Date: October 30, 2025

RE: Aspire Program- Product # 317410  
**Carroll Street Houses Garden State Growth Zone Development Entity LLC,  
aka Carroll Street Houses, ("Applicant"), Rising Dove Carroll Street Houses  
LLC ("Co-Applicant")**

### **Request**

Issuance of tax credits from the Aspire program ("the Program") for a residential project located in Paterson, New Jersey, Passaic County of up to 85% of the eligible project cost ("eligible costs"), not to exceed \$36,664,831.

### **Aspire Program Background**

The New Jersey Economic Recovery Act of 2020, N.J.S.A. 34:1B-322, et seq., provides that the "authority shall administer the program to encourage redevelopment projects through the provision of incentive awards to reimburse developers for certain project financing gap costs." On January 23, 2025, new amendments to the Act (P.L. 2025, c.2) became effective, and new special adoption rules were adopted by the Authority Board on July 23, 2025, and took effect on August 1, 2025, upon submission to the Office of Administrative Law (regulations as amended are the "Rules"). This application is being considered based upon the Act (as amended by P.L. 2025, c.2) and the Rules. To be eligible, developers of residential projects must demonstrate, among other things, (1) that without the incentive award, the Redevelopment Project is not economically feasible, (2) that a project financing gap exists after the developer has contributed an equity participation of at least 10 percent of the total development cost, and (3) the project meets specific cost thresholds, depending on where the project is located.

The Program provides tax credits for five or ten years for Government Restricted Municipalities, (the "Eligibility Period"). The amount of tax credits a real estate development project or "Redevelopment Project," receives is generally a percentage of the project's costs and is subject to a statutory cap determined by project location and other aspects of each project.

### **Project Description**

The Carroll Street Houses project in Paterson, New Jersey comprises of the rehabilitation of eighty-eight fully affordable residential rental units on a 4.72-acre lot, providing housing to residents with an area median income (AMI) between 50% AMI and 80% AMI according to the United States Department of Housing and Urban Development (HUD).

The rehabilitation of the units also includes Project-Based Section 8 Contracts for unit rent subsidies. The site currently has ten residential two-story buildings and a management office. The redevelopment will consist of common area exterior upgrades, replacing of kitchens, bathrooms and flooring while maintaining the existing layout.

### **Project Ownership**

The Fourth Amendment to the Purchase and Sale Agreement was made and entered into as of February 21, 2025, by and among INCCA Carroll St. Houses LLC (“Seller”) and Winn Development Company Limited Partnership (“Purchaser” or “Winn”) for the sum of \$13,700,000. The Closing Date is to occur November 30, 2025. A previously executed Assignment of Purchase and Sale Agreement was executed by Winn Development Limited Partnership, (“Assignor”) and Carroll Street Houses Garden State Growth Zone Development Entity LLC (“Assignee” and (“Applicant”) on November 22, 2024.

The Carroll Street Houses Growth Zone Development Entity LLC (“Applicant”) is a single purpose entity owned by Carroll Street Houses MM LLC (99.99%) managing member and an Investor Member that will be designated after this approval (.01%) member.

### **Lead Development Entity**

Winn’s track record includes nearly 200 developments in urban and suburban markets in eleven states and the District of Columbia. Winn is one of the nation’s leading owners, developers, and managers of multi-family housing. As a privately owned family business founded in 1971, Winn is the largest manager of LIHTC housing, the second largest manager of privatized military housing, and one of the largest managers of affordable and rental housing in the United States.

With 3,800 team members nationwide, Winn operates more than 101,000 apartments across 23 states, including New Jersey, and the District of Columbia. Collectively, the Winn companies purchase, develop, and manage multifamily, commercial, senior, mixed income, military, and affordable housing properties from coast to coast through its subsidiaries, WinnDevelopment, WinnResidential, and WinnResidential Military Housing Services.

WinnDevelopment Companies’ experience with the NJEDA includes an Aspire Award for West Deptford Apartments LLC in West Deptford, New Jersey, and for Garden Court AC LLC in Atlantic City, New Jersey, as well as several previously approved ERG Awards.

### **Co-Applicant**

The Co-Applicant is Rising Dove Carroll Street Houses LLC (“RDCHS”) a wholly owned, disregarded entity of Rising Dove Senior Apartments, Inc. (“RDSA”), which is a 501(c)3. Authority staff is in receipt of an IRS 501(c)3 Determination Letter for Rising Dove evidencing that it is a non-profit for taxation purposes under the provisions of Section 501(c)3 of the Internal Revenue Code.

The Applicant and Co-Applicant are parties to a Participation Agreement that outlines the Co-Applicant’s responsibility to support low-and-moderate-income residents in identifying and addressing barriers to enrich and enhance the lives of the project’s residents. This includes designing and implementing a supportive services program, as well as providing ongoing assistance through referral services, coordination and follow-up, and dedicated staffing.

RDCHS will provide services directly benefiting the Project’s residents, committing a minimum of fifteen hours per week to on-site assistance. There is no upper limit on the number of weekly hours staff may dedicate to supporting residents. Specifically, these services will include:

- **Housing Assistance and Referral Services** – Assist residents seeking Emergency Rental Assistance through various nonprofit organizations and state agencies such as New Jersey Department of Community Affairs, DCA, Catholic Charities, etc., which includes assisting residents with coordinated referrals and follow-up services to local provider services networks and track outcomes on an ongoing basis. This includes training RDCHS staff members in the utilization of the CONNECT 360 platform for tracking services and referrals. CONNECT 360 is a multimedia platform that nonprofit service providers use to track placement and agency measurables which tracks healthcare and other measurables a nonprofit service provider may be using for key performance indicators to report to grant agencies and or government programs they receive funding from.
- **Employment** – Assist residents with job search support, resume writing and review through community referrals to adult employment programs and job listings.
- **Education** – Assist residents with training in computer use, Microsoft Office, and Google Suite.
- **Case Management** – Assessment, planning, facilitation, and advocacy for residents’ individual needs to achieve self-sufficiency, find and sustain employment, or promote economic mobility. RDCHS staff and case managers will conduct comprehensive assessments utilizing CONNECT 360 and make referrals when individual needs are identified.

- **Access to Food** – Assistance with regular food programs and supplemental meals, and clothing giveaway.
- **On-site Events** – Holding regular resident meetings at least annually in the community space; including the creating of agendas for each meeting made in collaboration with RDCS and distributed to all residents in the community. This includes ensuring each new resident is oriented to the community, understanding their responsibilities relative to community conduct and their lease agreements, and understanding that RDCS provides social services.
- **Economic Mobility** – Ensuring households are financially secure and achieving their financial/economic goals which includes, credit counseling, and budgeting. Referrals are made to relevant providers identified through RDCS’s resource directory and partner network.
- **Health** – Ensuring households have healthcare and can manage their wellness needs.

Per Program Rules, in the application the Co-Applicant must also demonstrate the following:

**The Co-Applicant has complied with all requirements for filing tax and information returns and for paying or remitting required State taxes and fees by submitting, as a part of the application, a tax clearance certificate, as described in section 1 at P.L. 2007, c. 101 (N.J.S.A. 54:50–39).**

The Co-Applicant has provided staff with a valid Tax Clearance Certificate as of this recommendation.

**The Co-Applicant's organizational purpose encompasses the proposed participation.**

Rising Dove Senior Apartments, Inc. is a nonprofit corporation organized under the laws of the State of New Jersey for the purpose of promoting economic, civic, and social welfare by providing a comprehensive program of economic development.

**The Co-Applicant has the financial and operational capability to provide the proposed contribution or services.**

Authority staff has reviewed financial statements provided by Rising Dove Senior Apartments, Inc., substantially evidencing the financial and operational capability to provide the proposed services.

**The Co-Applicant's receipt and sale of the tax credits is necessary to finance the Redevelopment or Development Project.**

The tax credit certificates will be allocated to the Co-Applicant which will sell the credits annually to a tax credit investor and return those sales proceeds into the partnership Applicant. This allows the Project to obtain the Aspire credit sales proceeds without tax consequences and to pay annual debt service on an Aspire bridge loan, putting critically important capital into the project.

Because the Co-Applicant relies on the RDSA to satisfy the eligibility requirements for a co-applicant, a condition will be added to require that RDSA remain the sole member of the Co-Applicant during the Eligibility Period.

**Legal Review and Sister Agency Check:**

A Legal Review (debarment/disqualification review) was completed on the Applicant, Lead Development Entity, and Co-Applicant by the Authority and all entities were cleared. All of the entities were also found to be in substantial good standing with the Department of Labor and Workforce Development, Environmental Protection, and the Treasury.

**Architect**

MG NEW YORK ARCHITECTS, PLLC, founded in New York City in 1986 by Michael Gadaleta, R.A., AIA, Principal, is a design-based architectural firm that applies the highest standards of imagination and design innovation to all architectural challenges. The firm has grown into a consortium of creative talent whose team has a comprehensive range of experience in designing and restoring buildings through sensitive planning, conception, design, and execution of residential and other projects.

MG New York has developed multiple residential and commercial projects in New York. A project completed in 2014, the Elm Street Apartments in Paterson, New Jersey is supportive housing developed for the New Jersey Community Development Corporation. Elm Street Apartments provides affordable units for unhoused youth, youth leaving foster care and grandparents raising children.

**General Contractor**

O.A. Peterson Construction Co., Inc. Founded by Oscar A. Peterson in 1914, and is in Montclair, New Jersey. The O.A. Peterson Construction Company is now in its fourth generation as a family-owned and operated organization. The firm provides a full scope of Pre-Construction and Post-Construction services to project close out.

**Construction Timeline**

Construction is expected to commence on December 3, 2025, and will take 22 months to complete.

**Project Details**

Carroll Street Houses currently has eighty-eight rental units within ten residential buildings which are two stories each and a management office. The current property suffers from deferred

maintenance. The project will involve the upgrading of the common area exterior site and building lighting upgrades, including improved landscaping by replacing or providing new tree pits. Exterior site work also includes upgrades and repaving parking lots, sidewalks and the picnic area for residents. The site plan also incorporates the development of parking spaces that comply with The Americans with Disabilities Act. Exterior work also includes painting, replacement of wood siding, installation of a video security system, signage, installing new gutters, and rebuilding decks/handrails.

Residences interior work will entail energy Star lights, new windows, and new blinds and painting of all residence interiors and carpeting in living rooms. Replacement of all bathrooms, vanities, lighting fixtures, exhaust fans, wall accessories, flooring medicine cabinets, faucets, toilets and tubs. Replacement of all kitchen lighting fixtures, new appliances, Energy Star refrigerators, gas stove/ranges, cabinetry, counters, sinks, garbage disposals, faucets, and flooring are also planned. Five units will be converted for improvements for compliance with the American with Disabilities Act requirements. The applicant has established a thorough temporary relocation plan and schedule for all residents. Interior renovation of community meeting space and management offices will also be completed. A laundry and community room will be added within the existing management office.

The project will comply with the United States Environmental Protection Agency Energy Star requirements which satisfies both the New Jersey Housing and Mortgage Finance Agency and New Jersey Economic Development Authority requirements. As such, Carroll Street Houses' redevelopment scope of work includes several energy conservation measures that will reduce energy use, improve comfort and air quality, resulting in healthier, more comfortable, and durable housing. Specifically, the project's envelope scope includes new insulation, window upgrades, roof replacements, attic insulation, and air sealing to optimize efficiency and reduce energy loads. Replacement of inefficient gas-fired heating boilers with high-efficiency condensing boilers, new hydronic baseboards, and programmable thermostats. The Project's design also incorporates low-flow plumbing fixtures targeting 20% better than existing, LED lighting improvements, ENERGY STAR appliances, and low-emitting materials.

### **Project Uses and Sources**

The Applicant proposes the following uses for the Project:

<b>Uses</b>	<b>Total Development Costs</b>	<b>Eligible Project Costs</b>
Acquisition of Land	\$1,980,000	\$1,980,000
Acquisition of Building	\$11,720,000	\$11,720,000
Hard construction costs	\$16,713,965	\$16,713,965
Professional services	\$1,639,006	\$1,639,006
Financing and other soft costs	\$11,314,283	\$6,682,124
Developer Fee	\$4,400,000	\$4,400,000
<b>Total</b>	<b>\$47,767,254</b>	<b>\$43,135,095</b>

The eligible project cost is the cost included in total development costs that is used for sizing the tax credit. When 100 percent of the residential units constructed in a residential project are reserved for occupancy by low- and moderate-income households, eligible project cost includes the developer fee(s) paid before acquiring permanent financing, as well as the deferred developer fees approved pursuant to the rules established by the Agency. For a project located in a government-restricted municipality, land costs, provided such land costs do not exceed 20 percent of the eligible. However, it excludes various pre-development costs incurred prior to application such as site-work, and certain soft costs.

“The Minimum Cost Threshold is the Total Development Cost. Pursuant to the Rules, “Projects located in a Qualified Incentive Tract or Government Restricted Municipality have a minimum eligible project costs of \$5 million”. The total development costs for this project are \$47,767,254 and is the cost threshold for this project”.

The Applicant proposes the following Sources for the Project:

Sources	Type	Amount
HMFA First Mortgage	1 <sup>st</sup> Mortgage	\$6,407,541
Aspire Proceeds	Tax Credit Equity	\$23,593,544
LIHTC Proceeds	Tax Credit Equity	\$15,949,465
Deferred Developer Fee	Equity	\$1,816,704
	<b>Total</b>	<b>\$47,767,254</b>

### **Developer Contributed Equity**

Based on the equity requirement in the Program Rules of 10% of total development costs for a residential project in a government-restricted municipality, the required equity in this Project equates to \$4,776,725. Total equity consists of \$17,766,169 and includes Low Income Tax Credit Investor Proceeds in the amount of \$15,949,465 and Deferred Developer Fee in the amount of \$1,816,704.

### **Statutory Aspire Award Cap**

As a project in a municipality that qualified as a government-restricted municipality prior to January 23, 2025, the project is eligible for an Aspire tax credit equal to the lesser of 85 percent of the eligible project cost or \$120 million. The project cost is estimated to be \$43,135,095. As such, the Project is eligible for an Aspire tax credit not to exceed \$36,664,831 which is the lesser of \$120 million and 85 percent of the project cost.

### **Financing Gap Analysis**

NJEDA staff has reviewed the application to determine if there is a shortfall in the Project development economics pertaining to the return on the investment for the developer and their ability to attract the required investment for this Project.



Because the Project is receiving Low-Income Housing Tax Credits for all the units and the equity consists of tax credit equity and deferred developer fee, NJHMFA's deferred fee model was used to measure the appropriate and reasonable rate of return. The total developer fee is \$4,400,000 with \$1,816,704 developer fee being deferred. This conforms to the Agency's policy, as the total developer fee is less than 15% of total development costs and the non-deferred fee is less than the cap on non-deferred fees of 8% of total development costs.

### **Aspire Tax Credit Sale Price**

For projects that do not represent the new construction of residential units the consideration for the sale or assignment of the Aspire tax credits can be no less than 85 percent of the transferred credit amount before considering any further discounting to present value. The Applicant has provided documentation to the Authority that the consideration contemplated in the current financing structure is 90 percent of the transferred credit amount before considering any further discounting to present value. Currently it is anticipated that a bridge loan will be secured by the future sale proceeds from the tax credits sales, and when accounting for these loan proceeds received during construction. The term of the loan is expected to be 8 years with an interest rate of 400 basis points over the 7-year Treasury. The ultimate financing structure and any changes in the future will be subject to this requirement and the Applicant will need to evidence this prior to any assignment or transfer of Aspire tax credits.

### **Net Positive Benefit Analysis**

As directed by the Aspire statute, the NJEDA shall conduct a fiscal impact analysis to determine and ensure that the overall public assistance provided to an Aspire awarded project will result in a net positive economic benefit to the State. Exceptions to the requirement are capital investment for a residential project, a capital investment for a food delivery source, or a health care or health services center. The Project is a residential project and, therefore, the entire award and capital investment are not subject to the net positive economic benefit analysis.

### **Other Statutory Criteria:**

#### **Affordability Controls**

For any project that includes newly constructed residential units (that is, not a project consisting solely of rehabilitated or renovated existing units, with no change to the composition of units or creation of new units), at least 20 percent of the residential units must be reserved for occupancy by low- and moderate-income households with affordability controls as provided in the Rules. This is a rehabilitation project without any change in unit count or structure, therefore this requirement is not applicable for this Project. Nonetheless, the developer intends to manage the project as a fully affordable project subject to LIHTC rules.

### **Scoring**

The Applicant is required to achieve a minimum score to be eligible for an Aspire award. The Project was scored in the areas of Equitable Development, Housing Opportunity, Smart Growth,

Environmental Justice, and Climate Resilience. The Applicant has satisfactorily evidenced to staff that the Project is consistent with the policy objectives represented by this scoring criteria.

### **Community Benefit Agreement**

For a Redevelopment Project whose total project cost equals or exceeds \$10 million, a community benefits agreement is required to be entered into by the Authority, chief executive of the municipality and the Applicant. N.J.S.A. 34:1B-328 and N.J.A.C. 19:31V-1.8. However, the new law exempts any residential project that is located in a government-restricted municipality, and in which 100 percent of the residential units constructed in the residential project are reserved for occupancy of low-and moderate-income households, from the requirement to enter into a community benefits agreement. As such this Project will not be subject to this requirement.

### **Labor Harmony Agreement**

NJEDA shall not enter into an incentive award agreement for a Redevelopment Project that includes at least one retail establishment which will have more than 10 full-time employees, at least one distribution center that will have more than 20 full-time employees, or at least one hospitality establishment which will have more than 10 full-time employees, unless the incentive award agreement includes a precondition that any business that serves as the owner or operator of the retail establishment, distribution center, or hospitality establishment enters into a labor harmony agreement with a labor organization or cooperating labor organizations that represent retail or distribution center employees in the State. However, a labor harmony agreement shall be required only if the State has a proprietary interest in the Redevelopment Project and shall remain in effect for as long as the State acts as a market participant in the Redevelopment Project. As of the date of this memorandum, this project does not have a State proprietary interest and therefore is not subject to this requirement.

### **Prevailing Wage Obligations**

For any project awarded Aspire tax credits all workers employed to perform construction work or building services work at the Redevelopment Project shall be paid prevailing wages, which continue through the end of the Eligibility Period. The Applicant has acknowledged this requirement and that in any year where this is found not to be the case, the Applicant shall forfeit the tax credit for that year.

### **Substantial Good Standing/Subcontractor and Contractor Requirements**

For the duration of the Eligibility Period, the developer must be in substantial good standing (or have entered into an agreement) with the Department of Labor and Workforce Development, Environmental Protection, and the Treasury for any project awarded Aspire tax credits and that each contractor and subcontractor performing work at the Redevelopment Project: is registered as required by the Public Works Contractor Registration Act, has not been debarred, suspended, or disqualified by the Department of Labor and Workforce Development from engaging in or bidding on Public Works Contracts in the State or been debarred, suspended, or disqualified by a federal agency from engaging in federally- funded construction projects or bidding on federal contracting

opportunities, and possesses a tax clearance certificate issued by the Division of Taxation in the Department of the Treasury.

### **Availability of Emerge/Aspire Resources**

At the time of this recommendation, there are \$1,457,612,961 in uncommitted tax credit resources available to Aspire projects located in the Northern-most counties in the State for the fiscal year.

### **Recommendation**

Authority staff has reviewed the application for Carroll Street Houses Garden State Growth Zone Development Entity, LLC and finds that it satisfies the eligibility requirements of the Act (as recently amended) and Rules. It is recommended that the Members approve and authorize the Authority to issue an approval letter and subsequently enter into an incentive award agreement. The tax credit award would be credited against the total available North Jersey award authority.

The developer has selected a 5-year Eligibility Period.

Issuance of the Aspire tax credits are contingent upon the Applicant submitting documentation evidencing project financing and planning approvals with respect to the Project within the time required in the Rules (one year after approval), which includes:

1. Financing commitments for all funding sources for the Project consistent with the information provided by the Applicant to the Authority for the Aspire tax credit;
2. Evidence of site control and site plan approval for the Project; and
3. Copies of all required State and federal government permits for the Project and copies of all local planning and zoning board approvals that are required for the Project.

At project completion and in each annual report, the Applicant or Co-Applicant will be required to submit a certification that RDSA remains the sole member of the Co-Applicant.

Additionally, this Applicant project is within a GRM and 100 percent affordable housing and is exempt from submitting an executed Community Benefits Agreement consistent with recently enacted legislation after approval.

The recommendation is approval of an award of up to 85% of the total project cost, not to exceed \$36,664,831 in Aspire tax credits based upon the financing gap illustrated by the Project's actual capital stack at time of commitment.



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Tim Sullivan, CEO



To: Members of the Authority

From: Tim Sullivan  
Chief Executive Officer

Date: October 9, 2025

RE: Aspire Program- Product # 00318554  
**Meadowlands Logistics Center LLC (“Applicant”)**

**Request**

Issuance of tax credits from the Aspire program (“the Program”) for a commercial project located in Secaucus, New Jersey, Hudson County of up to 50% of the eligible project cost (“eligible costs”), not to exceed \$56,591,983.

**Aspire Program Background**

The New Jersey Economic Recovery Act of 2020 (the “Act”), N.J.S.A. 34:1B-322, et seq., provides that the “authority shall administer the program to encourage redevelopment projects through the provision of incentive awards to reimburse developers for certain project financing gap costs.” Aspire Program Rules (“Rules”) incorporating a variety of programmatic changes resulting from enacted Legislation and responding to formerly submitted public comment were specially adopted by the Authority Board on November 16th, 2023 and took effect on December 5th, 2023 upon submission to the Office of Administrative Law. In addition, legislative amendments to the Act (P.L. 2025, c.2) became effective on January 23, 2025. This application is being considered based upon the Act (as most recently amended) and Rules.

The Program provides tax credits for ten years (the “Eligibility Period”). The amount of tax credits a real estate development project or “Redevelopment Project,” receives is generally a percentage of the project’s costs and is subject to a statutory cap determined by project location and other aspects of each project.

To date, the Board has approved 32 projects under the Aspire Program, representing over \$3.3 billion in tax credit allocations. The approved applications consist of 5 commercial, 9 mixed-income residential, 13 fully affordable residential, and 5 mixed-use residential projects. Of these approvals, two applications were subsequently withdrawn.

### **Project Description**

The Project proposes a 775,000-square-foot, Class A warehouse and distribution complex on a 136-acre site at 100 Paterson Plank Road in Secaucus, within the core of the Meadowlands market. The Project scope includes the development of a modern warehouse facility featuring a 40-foot clear ceiling height, 232 trailer parking spaces, 96 loading docks with capacity for an additional 89 future docks, four drive-in entrances, 570 parking spaces, and integrated office space.

The Project will also provide community amenities that include a public walking trail, a scenic overlook with dedicated public parking, expanded sidewalks, and a bus shelter to enhance accessibility.

### **Project Ownership**

The Applicant, Meadowlands Logistics Center LLC, holds ownership of the subject property through a Deed dated January 14, 2024, executed between Mori Legacy Foundation, Inc. (grantor) and Meadowlands Logistics Center LLC (grantee).

Meadowlands Logistics Center LLC is a special purpose entity that is 100% owned by The Hartz Group Inc., by way of several wholly owned pass-through entities that include Hartz Mountain Industries-NJ, LLC and the lead development entity, Hartz Mountain Industries Inc.

### **Lead Development Entity**

The Hartz Group, Inc., a private, family-owned real estate company, is the parent organization of and wholly owns the lead development entity, Hartz Mountain Industries, Inc. Hartz Mountain Industries serves as the company's primary real estate development arm. Hartz Mountain Industries Inc. is a regional real estate enterprise that owns, develops, leases, and manages real estate across several property types that include industrial, multifamily rentals, hotels/hospitality, offices, and retail. Founded in 1966, their operations are vertically integrated: they have in-house teams for architecture, construction, engineering, legal, leasing, property management, marketing and finance.

Hartz Mountain Industries, Inc. has served as the lead developer on numerous industrial projects across New Jersey, including Bayonne, Harrison, North Bergen, Secaucus, Hamilton, Cranford, Elizabeth, and Linden. The firm has also advanced several multifamily developments such as The Reserve at Estuary, Hoboken Point in Weehawken, Fairways at Cranford, 3 Journal Square in Jersey City, Chancery Square in Morristown, and One Superior Place in Chicago. In addition, Hartz has delivered hospitality projects including the Soho Grand Hotel and the Roxy Hotel in New York, as well as notable office developments such as Lincoln Harbor in Weehawken.

This is the Authority's first time evaluating an Aspire award application for this developer.

### **Legal Review and Sister Agency Check:**

A Legal Review (debarment/disqualification review) was completed on the Applicant and Lead Development Entity by the Authority and all entities were cleared. All of these entities were also

found to be in substantial good standing with the Department of Labor and Workforce Development, Environmental Protection, and the Treasury.

### **Construction Timeline:**

Construction is expected to commence in February of 2026 and will take 30 months to complete.

### **Project Details**

As previously noted, the 775,000-square-foot industrial complex will be accessible from Paterson Plank Road and Park Plaza Drive, with close connections to major highways, rail networks, and the Ports of New York and Newark. Planned uses include warehouse operations, light industrial manufacturing, logistics and distribution, cold storage, import/export port services, e-commerce fulfillment, and a data center.

The site's location makes it well suited for large-scale distribution uses, including e-commerce fulfillment, retail, and other consumer industries. The development is expected to serve as a regional hub for third-party logistics (3PL) operators, providing streamlined supply chain solutions. Its scale and strategic positioning also make it an ideal candidate for cold storage, data centers, and other distribution functions, while the facility's design can additionally accommodate light manufacturing, assembly, and other commercial operations serving the broader metropolitan market.

The property is identified on NJDEP's Known Contaminated Site List. Under the recently amended Aspire Program Rules, the Project qualifies for eligibility as an eligible warehouse project, that is, a project comprised of industrial space that is predominantly used for warehouse distribution or fulfillment centers for which the developer incurs eligible project cost of at least \$10 million in environmental remediation costs. The intended use was determined by the percentage of square footage dedicated to warehouse and fulfillment. As required in the program rules, EDA has received a certification from the licensed site remediation professional (LSRP) for the project, Langan Engineering and Environmental Services, LLC of the estimated environmental remediation and budget in the amount of \$15.8 million, and that the LSRP is not aware that the developer is a discharger of a contaminant at the project site or a corporate successor of a discharger.

The New Jersey Sports and Exposition Authority ("NJSEA") designated the site as a vital project of significant impact on the regional economy, transportation network, and the environment. The Applicant provided an NJSEA Resolution designating this site as a vital project, and the NJSEA staff memo supporting the designation.

### **Project Uses and Sources**

The Applicant proposes the following uses for the Project:

Uses	Total Development Costs	Project Costs
Acquisition	\$110,712,030	\$0

Hard construction costs	\$127,198,213	\$127,197,758
Certified Environmental Remediation Costs	\$16,691,218	\$15,802,239
Professional services	\$13,951,256	\$12,067,434
Financing and other soft costs	\$37,752,185	\$34,587,443
Developer Fee	\$7,073,250	\$0
<b>Total</b>	<b>\$313,378,152</b>	<b>\$189,654,874</b>

The eligible project cost is the cost included in total development costs that is used for sizing the tax credit. Total eligible project costs exclude the developer fee as well as various pre-development costs incurred prior to application such as site-work, and certain soft costs.

The Applicant proposes the following Sources for the Project:

<b>Sources</b>	<b>Type</b>	<b>Amount</b>
Harmon Mortgage Corporation Construction Loan	Debt	\$188,026,892
Cash	Equity	\$125,351,261
	<b>Total</b>	<b>\$313,378,153</b>

#### **Developer Contributed Equity**

Based on the equity requirement of 20% of total development costs for a commercial project, the required equity in this Project equates to \$62,675,630. Total equity consists of developer contributed capital in the amount of \$125,351,261, which satisfies this program requirement.

#### **Statutory Aspire Award Cap**

This Project is located in an Aspire incentive area and eligible for an Aspire tax credit equal to the lesser of 50 percent of the eligible project costs or \$60 million. The eligible project cost is estimated to be \$189,654,874. As such, the Project would be eligible for an Aspire tax credit not to exceed \$60 million, which is the lesser of \$60 million and 50 percent of the eligible project cost, except that the award is capped by the net positive benefit analysis (described below).

#### **Financing Gap Analysis**

NJEDA staff has reviewed the application to determine if there is a financing gap pertaining to the return on the investment for the developer and ability to attract the required investment. Staff analyzed the pro forma and projections and compared the returns with and without the Aspire award over 12 years. The investment analysis assumes that the Applicant will utilize a 36-month timeframe to build and stabilize the Project. It also assumes a 10-year cash flow with an exit through the sale of the Project in year 12.

<b>IRR without Aspire tax credit</b>	9.92%
<b>IRR with Aspire tax credit</b>	11.75%

Without the benefit of the Aspire tax credit, the Equity IRR is 9.92%, which is below the Maximum Return of 12.5% for comparable industrial developments in Hudson County. As indicated in the chart above, a developer would not generally complete the Project without the benefit of the Aspire tax credit. Additionally, the Equity IRR with the Aspire tax credit award is below the Maximum Return provided by JLL. The Applicant has elected to move forward with the Project even though the IRR with the award is still below the market hurdle rate.

At project certification and at the end of the seventh and last year of the Eligibility Period, the Authority shall evaluate the Applicant's actual reasonable and appropriate rate of return on investment and compare that actual reasonable and appropriate rate of return on investment to the Maximum Return at time of Board approval. If the actual rate of return on investment exceeds the Maximum Return at the time of Board approval by more than 15 percent, the Authority shall require the developer to pay 20 percent of the amount in excess of the Maximum Return (to be held in escrow until the final evaluation at the end of the Eligibility Period).

**Aspire Tax Credit Sale Price:**

For projects that do not represent the new construction of residential units the consideration for the sale or assignment of the Aspire tax credits can be no less than 85 percent of the transferred credit amount before considering any further discounting to present value. The Applicant has provided documentation to the Authority that the consideration contemplated in the current financing structure is 85 percent of the transferred credit amount before considering any further discounting to present value. Currently it is anticipated that the tax credits will be sold as they become available, with the proceeds retained as income on the project proforma. The ultimate financing structure and any changes in the future will be subject to this requirement and the Applicant will need to evidence this prior to any assignment or transfer of Aspire tax credits.

**Net Positive Benefit Analysis:**

As directed by the Aspire statute the NJEDA shall conduct a fiscal impact analysis to determine and ensure that the overall public assistance provided to an Aspire awarded project will result in a net positive economic benefit to the State. Exceptions to the requirement are capital investment for a residential project, special mission non-profit project and a capital investment for a food delivery source, or a health care or health services center. The Project does not have any of the exempted uses and, therefore, the entire award and capital investment are subject to the net positive benefit analysis.

The Rules set the required net positive economic benefit (NPEB) to the State at 160 percent of the award of tax credits unless the project is: located in a government-restricted municipality; contains 50,000 or more square feet of space devoted to research or technology focused incubator and conferencing facilities for one or more institutions of higher education or non-profit organizations with a total project cost of not less than \$50 million; receives a Federal historic rehabilitation tax credit or a State tax credit under the "Historic Property Reinvestment Act,"; is located on land owned by the Federal government on or before December 31, 2005; or is undertaken by a major



cultural institution, OR is undertaken by a developer in which the major cultural institution has an ownership interest, in which case it is 125 percent. N.J.A.C. 19:31V-1.6 (Financing gap and fiscal impact analysis). The Project does not meet any of the criteria to reduce this requirement and thus the award is subject to the 160 percent threshold. The Aspire statute directs the authority to discount the Aspire tax credit award issued over the 10-years from the perspective of net present value in the same fashion as which it discounts the estimated ongoing benefits to the State over the same time period. N.J.S.A. 34:1B-326.

Based upon the policy outlined in the Board Memo seeking initial approval of the Aspire Rules, staff employed Implan to model the expected net positive benefit related to the construction activities and ongoing employment at the Project.

The results of this analysis are detailed in the following chart:

<b>Total One-time Benefit</b>	\$6,251,737.97
<b>Average Annual Ongoing Benefit</b>	\$8,226,527.00
<b>Net Present Value of Benefits over 10 years</b>	\$60,757,890.24
<b>NPV of Benefit as % of NPV of Aspire</b>	160%
<b>Net Present Value of Implied Max Aspire Award</b>	\$37,973,681.40
<b>Aspire Award Based on Implied Max Aspire Award</b>	\$56,591,983.23

Based on the above analysis, the award is capped at \$56,591,983, which represents approximately 30% of the eligible project cost.

### **Other Statutory Criteria**

#### **Affordability Controls:**

For any project that includes newly constructed residential units (that is, not a project consisting solely of rehabilitated or renovated existing units, with no change to the composition of units or creation of new units), at least 20 percent of the residential units must be reserved for occupancy by low- and moderate-income households with affordability controls as provided in the Rules. As a commercial project comprised solely of non-residential uses, this requirement is not applicable for this Project.

#### **Scoring:**

The Applicant is required to achieve a minimum score to be eligible for an Aspire award. The Project was scored in the areas of Equitable Development, Smart Growth, Environmental Justice, and Climate Resilience. The Applicant has satisfactorily evidenced to staff that the Project is consistent with the policy objectives represented by this scoring criteria.

#### **Community Benefits Agreement:**

For a Redevelopment Project whose eligible project cost equals or exceeds \$10 million, a community benefits agreement is required to be entered into by the Authority, chief executive of the municipality and the Applicant unless the Applicant submits a redevelopment agreement that meets the statutory standards of a community benefits agreement or a resolution that renders a community benefits agreement unnecessary. The Applicant has provided a letter of support from the chief executive of the municipality acknowledging this requirement and affirming that the municipality shall proceed to negotiate a community benefits agreement in good faith with the Applicant and will execute the community benefits agreement within the time required.

**Labor Harmony Agreement:**

NJEDA shall not enter into an incentive award agreement for a Redevelopment Project that includes at least one retail establishment which will have more than 10 full-time employees, at least one distribution center that will have more than 20 full-time employees, or at least one hospitality establishment which will have more than 10 full-time employees, unless the incentive award agreement includes a precondition that any business that serves as the owner or operator of the retail establishment, distribution center, or hospitality establishment enters into a labor harmony agreement with a labor organization or cooperating labor organizations that represent retail or distribution center employees in the State. However, a labor harmony agreement shall be required only if the State has a proprietary interest in the Redevelopment Project and shall remain in effect for as long as the State acts as a market participant in the Redevelopment Project. As of the date of this memorandum, this project does not have a State proprietary interest and therefore is not subject to this requirement.

**Prevailing Wage Obligations:**

For any project awarded Aspire tax credits all workers employed to perform construction work or building services work at the Redevelopment Project shall be paid prevailing wages, which continue through the end of the Eligibility Period. The Applicant has acknowledged this requirement and that in any year where this is found not to be the case, the Applicant shall forfeit the tax credit for that year.

**Substantial Good Standing/Subcontractor and Contractor Requirements:**

For the duration of the Eligibility Period, the developer must be in substantial good standing (or have entered into an agreement) with the Department of Labor and Workforce Development, Environmental Protection, and the Treasury for any project awarded Aspire tax credits and that each contractor and subcontractor performing work at the Redevelopment Project: is registered as required by the Public Works Contractor Registration Act, has not been debarred, suspended, or disqualified by the Department of Labor and Workforce Development from engaging in or bidding on Public Works Contracts in the State or been debarred, suspended, or disqualified by a federal agency from engaging in federally- funded construction projects or bidding on federal contracting opportunities, and possesses a tax clearance certificate issued by the Division of Taxation in the Department of the Treasury.

### **Availability of Emerge/Aspire Resources**

At the time of this recommendation, there are \$1,457,612,961 in uncommitted tax credit resources available to Aspire projects for the fiscal year.

### **Recommendation**

Authority staff has reviewed the application for Meadowlands Logistics Center LLC and finds that it satisfies the eligibility requirements of the Act (as recently amended) and Rules. It is recommended that the Members approve and authorize the Authority to issue an approval letter and subsequently enter into an incentive award agreement. The tax credit award would be credited against the total available North Jersey award authority.

Issuance of the Aspire tax credits are contingent upon the Applicant submitting documentation evidencing project financing and planning approvals with respect to the Project within the time required in the Rules (one year after approval), which includes:

1. Financing commitments for all funding sources for the Project consistent with the information provided by the Applicant to the Authority for the Aspire tax credit;
2. Evidence of site control and site plan approval for the Project;
3. Copies of all required State and federal government permits for the Project and copies of all local planning and zoning board approvals that are required for the Project; and
4. A copy of the remedial action workplan(s) submitted to the Department of Environmental Protection that includes the environmental remediation costs.

Additionally, Applicant must submit an executed Community Benefits Agreement consistent with recently enacted legislation after approval.

The recommendation is approval of an award of up to 50% of the eligible project cost, not to exceed \$56,591,983 in Aspire tax credits based upon the financing gap illustrated by the Project's actual capital stack at time of commitment.



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Tim Sullivan, CEO