



Next New Jersey Manufacturing Program

[Next New Jersey - Manufacturing Program - NJEDA](#)

Frequently Asked Questions (FAQ)

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Next New Jersey Manufacturing Program

Frequently Asked Questions (FAQ)

The **Next New Jersey Manufacturing Program** is a tax credit initiative designed to spur significant investment, create new manufacturing jobs, and solidify New Jersey's manufacturing industry. By offering competitive incentives, Next NJ Manufacturing Program encourages companies to invest their capital in New Jersey while demonstrating a commitment to long-term growth within the state.

This document is provided as a courtesy to provide guidance regarding a number of questions often asked about this program. This information does not constitute legal or accounting advice. All applicants are responsible for reviewing and complying with the Program statutes, rules, and agreements. Refer to the current copy of the [Next New Jersey Manufacturing Program Rules](#) which sets forth the criteria under which the company is eligible for the grant of tax credits for further guidance.

If you have any questions or need clarification on any of these questions or answers, please email your request to nextnjmfg@njeda.gov.

1. What is the New Jersey Economic Development Authority (NJEDA or The Authority)?

The NJEDA is the State's principal agency for driving economic growth, working to carry out Governor Phil Murphy's vision for a stronger and fairer economy. The NJEDA is committed to making New Jersey a national model for inclusive and sustainable economic development by focusing on key strategies to help build strong and dynamic communities, create good jobs for New Jersey residents, and foster innovation.

2. What is the Next New Jersey Manufacturing Program?

The Next New Jersey – Manufacturing Program is a tax credit initiative designed to spur significant investment, create new manufacturing jobs, and solidify New Jersey's manufacturing industry. By offering competitive incentives, Next NJ Manufacturing Program encourages companies to invest their capital in New Jersey while demonstrating a commitment to long-term growth within the state.

3. When will the application be available and how do I apply?

The application will go live Thursday, September 25, 2025, at 10:00am EST, and can be found at www.njeda.gov/nextnjmfg. The application will remain open until all funds are committed or March 1st, 2029; whichever comes first.

4. *What tax credits are available?*

The amount of the tax credit, allowed under the program to eligible businesses, shall be the lesser of: (1) the product of 0.1 percent of the eligible business's total capital investment multiplied by the number of new full-time jobs; (2) 25 percent of the eligible business's total capital investment; or (3) \$150,000,000. To get an estimated award amount, you can use the awards calculator on our webpage at www.njeda.gov/nextnjmfg.

The Next New Jersey Manufacturing Program will have a \$500 Million allocation. Of that amount, \$100M is set aside for Clean Energy Manufacturers for the first 2 years of the program, after that unused proceeds will go back into the general manufacturing allocation.

5. *Who can participate in the program?*

Manufacturing Companies and Clean Energy Product Manufacturers, with a qualified business facility located within New Jersey, whose facility is primarily (over 50%) manufacturing, seeking to make a capital investment on their facility of at least \$10M and hire at least 20 new full-time positions.

6. *What are the eligibility criteria for the program?*

- **Minimum Job Creation:** 20 full-time employees
 - The median salary of the full-time jobs at the qualified business facility by the business shall be not less than 120 percent of the median salary for manufacturing employees in the county in which the project is located; or if the qualified business facility is a complex of buildings that spans multiple counties, the county with the highest median salary among the counties where the buildings comprising a complex of buildings are located.
 - Ensure that at least 80% of the incentivized employees' work time is spent in New Jersey and at the Qualified Business Facility, and whose wages or distributive share of income, gain, or losses is subject to the tax withholdings of all full-time jobs are subject to New Jersey Gross Income Tax or is a resident of another State with a reciprocity tax agreement (Pennsylvania).
 - Health benefits must be offered within 90 days of employment.
- **Minimum Capital Investment:** \$10 million at qualified business facility.
- **Companies Must:** Maintain a record of good standing with the New Jersey Department of the Treasury, Department of Labor and Workforce Development, and Department of Environmental Protection.
- **Prevailing Wages:** Construction contracts and building services contracts must adhere to NJEDA's prevailing wage and labor compliance requirements. Construction contracts must comply with NJEDA's affirmative action requirements.
- **Minimum Environmental and Sustainability Standards:** Means standards established by the Authority in accordance with the green building manual prepared by the Commissioner of the Department of Community Affairs.
- **Manufacturing Activities:** The Qualified Business Facility is primarily (over 50%) engaged in manufacturing.
- **Collaboration:** A requirement for the eligible business to submit evidence, as required by

the authority, that it has entered into and maintained during the commitment period a collaborative relationship with a New Jersey public or private college or university, public or private high school, or workforce development organization, or any combination thereof.

7. *What are the eligible “Capital Investments” under the program?*

Please refer to the term, “Capital Investment”, defined in the [Program Rules](#).

8. *What portion of my capital investment can I allocate to our “Soft Costs”?*

Please refer to the term, “Soft Costs”, defined in the [Program Rules](#).

9. *Can an eligible “Affiliate” also contribute towards the Capital Investment?*

Yes, an “Affiliate” of an eligible business may contribute towards the capital investment and eligible position requirements; and may satisfy the requirement for site control during construction and the eligibility period. But; in no event shall the tax credit certificate be issued to an affiliate.

An “Affiliate” must satisfy the specific provisions of the Internal Revenue Code in the Program rules definition of “Affiliate” or, if not, must obtain a determination from the Division of Taxation.

10. *What is a “Qualified Business Facility” under the program?*

Please refer to the term, “Qualified Business Facility”, defined in the [Program Rules](#).

11. *What is considered “Manufacturing Activities” under the program?*

Please refer to the term, “Manufacturing”, defined in the [Program Rules](#).

12. *What is considered a “Collaborative Relationship” under the program?*

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

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

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

- **At time of application submission;** a signed letter of intent evidencing a proposed collaborative relationship will be required.
- **Following Board approval and prior to the Authority and an eligible business executing a project agreement;** a requirement for the eligible business to submit evidence, as required by the Authority, that it has entered into and maintains a collaborative relationship.

13. *When do I begin to receive tax credits? Do I have to use them as soon as possible?*

Once your project is approved by the EDA Board, you have up to three years to certify your new hires, capital investment, and all other program requirements, with the option for two six-month extensions if needed. EDA must review and consider the certification satisfactory.

Upon EDA accepting the project completion certification, the tax credits are issued for a term of five years. They are also transferable and can be carried forward for up to ten tax periods, giving you flexibility in how and when you use them.

14. *How long do I have to commit to NJ to receive the tax credits?*

An applicant must commit to New Jersey for a total of 10 years. After your project is approved, you have up to 3 years to certify that you've met the program's requirements for capital investment, new hires, and other eligibility criteria. You can also apply for two 6-month extensions if you need more time.

Once you certify, tax credits will be issued during the first 5 years of a total 10-year commitment to the state.

15. *What is the certification period of the program?*

The certification period is the amount of time a business has to certify to capital investment, employment, and other eligibility requirements. The business will have three (3) years with two 6-month extensions after board approval to certify.

16. *Are there bonuses for this program? If so, what are they?*

Yes; there are stackable 1% bonuses, calculated based on the annual award, after any reductions; with a maximum bonus of 5% and a maximum total award of \$150,000,000.00, available for each of the following:

- Located in an Opportunity Zone Eligible Census Tract; [Location Review Mapping Tool](#).
- New Jersey Business Certifications (1% for each); visit <https://business.nj.gov/pages/certifications> to apply:
 - New Jersey Certified Woman Business Enterprise (WBE)
 - New Jersey Certified Minority Business Enterprise (MBE)
 - New Jersey Certified Veteran-Owned Business (VOB) and Disabled Veteran-Owned Business (DVOB)
 - New Jersey Certified Small Business Enterprise (SBE)

- New Jersey Certified Emerging Small Business Enterprise (ESBE) and Disadvantaged Business Enterprise (DBE)
- New Jersey Certified Lesbian, Gay Bisexual, Transgender, Queer, Questioning (LGBTQ+)
- New Jersey Certified Urban Enterprise Zone (UEZ)
- New Jersey Certified Socially and Economically Disadvantaged Business (SEBD)
- At least one active Collective Bargaining Agreement or Labor Harmony Agreement is in place, at the qualified business facility.

17. How are the tax credits calculated?

Eligible businesses will receive a tax credit award of up to 25% of their capital investment, based upon 0.1% per job with a cap of \$150MM per project, including bonuses. To get an estimated award amount, you can use the awards calculator on our webpage at www.njeda.gov/nextnjmfg.



EXAMPLE OF AWARD CALCULATIONS	
<i>Manufacturer proposing to create 100 new jobs, with a capital investment of \$300 Million</i>	
NEW JOBS	100
CAPITAL INVESTMENT	\$300,000,000
Method 1, Calculation:	(0.1% x \$300 Million Capital Investment) = \$300,000 x 100 New Jobs = \$30,000,000
Method 2, Max Percentage:	25% x \$300 Million = \$75,000,000
Method 3, Max Award:	Fixed Cap = \$150 Million
ESTIMATED AWARD AMOUNT	\$30,000,000

THE NEXT NEW JERSEY - MANUFACTURING PROGRAM

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

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

18. What are the fees involved with the program?

NEXT NEW JERSEY - MANUFACTURING PROGRAM FEES

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

19. *After I am approved, if my company no longer meets the eligibility criteria, what happens with my tax credit?*

The company may be subject to reduction, forfeiture, recapture, or some combination of the three depending on the specific reason and timing of the failure to meet the eligibility criteria. The [Program Rules](#) describe certain basis for such action. The approval letter and project agreement will have more detailed provisions.

20. *If my Capital Investment includes construction, what do I need to know?*

Construction contracts and building services contracts must adhere to NJEDA's prevailing wage and labor compliance requirements. Construction contracts must also comply with NJEDA's affirmative action requirements. Each worker employed to perform construction work or building services work at the qualified business facility shall be paid not less than the prevailing wage rate for the worker's craft or trade, as determined by the Commissioner of Labor and Workforce Development pursuant to N.J.S.A. 34:11-56.25, et seq., and N.J.A.C. 19:31DD-1.19(b) and (c).

Additionally, the applicant must ensure that contractors or subcontractors that will perform work at the qualified business facility are registered as required pursuant to the Public Works Contractor Registration Act, N.J.S.A. 34:11-56.48 et seq., have not been debarred by Department of Labor and Workforce Development from engaging in or bidding on Public Works Contracts in the State, and possess a tax clearance certificate issued by the Division of Taxation in the Department of the Treasury.

After Board approval, an NJEDA Labor Compliance team member will be assigned to you if you have any construction or an applicant is hiring contractors or sub-contractors for the project to schedule a construction pre-meeting to ensure all parties are aware of the Labor Compliance rules. The approval letter that the company must sign after Board approval will require that the company attend this construction pre-meeting.

Compliance steps required during the hiring process of a contractor:

- Register: All contractors and subcontractors must be registered with the NJ Department of Labor. This applies to new contracts (awarded after April 1, 2020) requiring prevailing wage payments. Contracts existing before April 1, 2020 are exempt.
- Prevailing Wage: Include the Authority's Prevailing Wage Addendum in your construction contracts.
- Apprenticeship Programs: Participate in a registered apprenticeship program (effective May 1, 2019). Ensure your subcontractors also require this.
- Affirmative Action and Prevailing Wage requirements apply to all construction work performed at the Qualified Business Facility after the submission of a complete application for the Next NJ Manufacturing Program. Any applicants that will start construction should provide certified payroll and contractor registration for all construction work post-application to NJEDA's Labor Compliance team.
- Resources: Regulations, forms, and guidance documents are available at:

21. What is considered construction requiring compliance with NJ Department of Labor’s Public Works Contractor Registration Act, the NJEDA Prevailing Wage, and NJEDA Affirmative Action required?

Construction is defined broadly for purposes of contractor registration, prevailing wage, and affirmative action. If the Project is expected to involve construction, reconstruction, demolition, alteration, duct cleaning, millwork fabrication, remediation, removal of hazardous substances, custom fabrication, repair work, or skilled maintenance work, including painting and decorating costs, using contractors such as Plumber, Electrician, or Carpenter or any other construction trades for the purpose of installing the equipment, the Project will be required to comply with the NJ Department of Labor’s Public Works Contractor Registration Act, the New Jersey Prevailing Wage Act, and Affirmative Action. You should consult with NJEDA to determine whether an activity is construction.

22. What does “primarily engaged in manufacturing” at the Qualified Business Facility mean?

Being 'primarily engaged in manufacturing at the Qualified Business Facility means that over 50% of the business activities at the facility must be dedicated to manufacturing.

23. If we made Capital Investments to our Qualified Business Facility prior to submitting an application, will those expenses count towards our “Capital Investment” requirement?

No. Only expenses incurred by a business or an affiliate of the business or on behalf of the business or affiliate by its landlord, at the qualified business facility following its submission of a completed application to the Authority, but prior to the project completion date, will be considered towards the “Capital Investment” requirement.

24. What does “Clean Energy Product Manufacturer” mean under the program?

Please refer to the term, “Clean Energy Product Manufacturer”, defined in the [Program Rules](#).

Please note that there will be a \$100 M set aside, solely for Clean Energy Product Manufacturers for 2 years after program launch. After those 2 years, any remaining funds from the initial \$100M will be placed into the general manufacturing bucket towards future applications.

25. We are already a NJ manufacturer with over 20 current employees; will we be able to apply for new capital investments with our current employee count?

The business will need to create net new full-time jobs at the qualified business facility in an amount not less than 20 new full-time jobs. Current positions will not be counted towards the tax incentive.

26. Under the program, we can add a “Quality Child Care Facility” to our facility; what is a “Quality Child Care Facility”, and how much of my facility can it occupy?

The term “Quality Child Care Facility” is defined in the Program Rules. The Qualified Business Facility needs to still be primarily engaged in manufacturing (51% of the facility or more) to qualify; so, the max space a “Quality Child Care Facility” is 49%, with 51% being dedicated to manufacturing activities. This exception is limited to Quality Child Care Facilities. Also, any full-

time employees and capital investment by the Quality Child Care Facility tenant cannot be included in the eligible business's full-time employees and capital investment.

27. Our application was declined, what are the next steps we can take?

A business may appeal against the Authority's action by submitting a written explanation of the grounds for the appeal within 20 calendar days from the effective date of the action. The appeal process includes a review by a hearing officer and a final decision by the Board.

28. We have multiple locations that we are applying for. Does each site need to have 20 or more full-time employees and \$10 million capital investment, and does each site need to be primarily (more than 50%) involved in manufacturing to qualify?

The employment and capital investment requirements apply to the entire project. Eligibility requirements, such as jobs, capex, whether the qualified business facility is primarily manufacturing, etc., shall be considered in the aggregate for a qualified business facility consisting of a complex of buildings. To be considered a single project, that is a "complex of buildings" that can apply together, the buildings must be part of the same financing plan and operational plan.

29. We have applied for the Next NJ Program – AI. Can we also apply for and benefit from the Next NJ Manufacturing Program?

To ensure fair and effective use of state resources, the same new jobs and capital investment cannot be used as the basis for multiple job-based NJEDA tax incentive programs. This policy prevents "stacking" incentives on identical project components.

In short, a business can benefit from multiple NJEDA programs, but the eligible activity (jobs or capital investment) must be separate and non-overlapping between NJEDA programs. This ensures that each dollar of state support is tied to distinct, eligible business activity.

This requirement applies specifically to incentives and does not affect other forms of financial support, such as lending or loan guarantee programs. Businesses can still receive financial support from these programs even if they are also receiving tax incentives, as long as the tax incentive portion of the award is based on distinct, eligible activity.

30. What actions will be needed to allow sale of the tax credit?

Please refer to section ***19:31:DD-1.15 Application for tax credit transfer certificate***, in the [Program Rules](#) for further details.

31. What research and development activities are considered manufacturing under the program?

Only research and development related to the creation of new products or improvement of existing products at the facility, may be considered ancillary manufacturing activities.

32. We currently have a relationship with New Jersey's ' Council of County Colleges' ("NJCCC") / NJ Pathways program, would collaboration with them be eligible for our collaborative relationship requirement?

Yes, a collaboration with NJCCC for the NJ Pathways may be eligible since NJ Pathways is a career-focused education initiative in New Jersey that connects high school students with opportunities for hands-on learning, career exploration, and workforce development. The program partners with schools, employers, and community organizations to create pathways that lead to successful careers. To be eligible, the collaboration must be memorialized in a contractual agreement between the company and an entity qualifying for a collaborative relationship (see answer to question # 12 above) and must be evidenced by the company providing opportunities for workforce hiring, training, or apprenticeship; research and development; demonstration project; or curriculum development or educational activity.

33. The tax credits are issued for 5 years after certification; how will this be issued out?

Tax credits are issued annually for five (5) years after project certification.

34. We have made an investment on our property and increased our headcount by 20 people last year; would these be eligible under the program?

Unfortunately, only investments, including soft costs, and hires made after a complete application submission through project certification can be counted towards the tax incentive.

35. Do contract employees count towards the job creation requirement?

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

36. I am having trouble obtaining a tax clearance through the pbs (premier business services) portal. who should I contact for assistance?

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

37. Are there annual reporting requirements?

Yes. Annual reports must be submitted to NJEDA following project certification. A complete annual report must be submitted on time, or forfeiture and a default may apply.

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

You may forfeit all remaining tax credits and be in default unless subleases are limited to a quality childcare facility or less than 5% for other tenants (without including their jobs/investments in your own).

39. When do I need to submit annual reports and what is included?

Submit your annual report within 120 days after the end of each tax year during the commitment period, starting from the year your tax credit is first issued.

Key components of the annual reports:

1. Certification from a qualified independent certified public accountant (“CPA”) based on an “agreed upon procedures” (“AUP”) Letter verifying:
 - a. Full-time employees and new jobs at the Qualified Business Facility and in NJ
 - b. Statewide workforce counts
 - c. Affiliates’ contributions and job counts
 - d. NJ tax return and wage/payroll reports
2. Affiliate changes (if applicable)
3. Confirmation that contractors/subcontractors meet registration, debarment, and tax clearance requirements
4. Active and compliant collaborative relationship
5. Updated floor/site plan
6. Compliance with prevailing wage and affirmative action rules
7. A statement about any known non-compliance risks

40. What documents are required in the application?

Next New Jersey Manufacturing Program Documentation
Certificate of Alternate Name (if applicant has a DBA)
Formation Documents for Applicant and Affiliates
Valid NJ Tax Clearance Certificate (visit the Premier Business Services portal)
Most recent 3 Years of Company Tax Returns and/or Financial Statements
Most recent three consecutive years of Form 10-K filings, as well as the applicant company’s most recent Form 10-Q. (if a publicly traded company)
Schedule of Debts (Only for Owner types Individual, Firm or other)
Trust Agreement (Only for Trusts)
Documents which support the applicant’s manufacturing-related activities. (These can include documents such as company profile, organizational charts, or other documents that exemplify the manufacturing business activities.)
Organization Chart for Applicant and Affiliates
Enter into a "Collaborative Relationship" (Supply supporting documents i.e. a Letter of intent, contract etc.)
Employee Log Worksheet (found on www.njeda.gov/nextnjmfg)
Most recent NJ WR-30 (if applicable)
Project Cost Analysis Worksheet (found on www.njeda.gov/nextnjmfg)
Supporting Documents for Project Cost Analysis Worksheet (validate the project cost assumptions including detailed project budgets, quotes for soft costs, cost estimates provided by prospective general contractors, and any other available 3rd party cost estimates)
Proof of Funding Documents (NJEDA Assistance, Applicant Equity, Bank Financing, Construction to Permanent Financing, Venture Capital Fundings, Angel Investment, etc.)
Completed Notice Regarding Affirmative Action/Prevailing Wage, Green Buildings and Business Services Requirement
Documentation Needed for Bonuses
New Jersey Small Business Enterprise (SBE) Certificate
New Jersey Woman-Owned Business (WBE) Certificate (WMBE Certificate Will Satisfy this as well)
New Jersey Minority-Owned Business (MBE) Certificate (WMBE Certificate Will Satisfy this as well)
New Jersey Veteran-Owned Business or Disabled Veteran-Owned Business (VOB or DVOB) Certificate
New Jersey Emerging Small Business Enterprise (ESBE) or Disadvantaged Business Enterprise (DBE) Certificate
New Jersey Lesbian, Gay Bisexual, Transgender, Queer, Questioning (LGBTQ+) Certificate
New Jersey Urban Enterprise Zone (UEZ) Certificate
New Jersey Socially and Economically Disadvantaged Business (SEBD) Certificate
Current and active Collective Bargaining Agreement or Labor Harmony Agreement, at the qualified business facility

41. How will we know if our application has been approved?

All approvals will require NJEDA Board approval. An approval letter will be sent via email to the primary contact of an application advising that the NJEDA board has approved their application.

42. What is an approval letter?

An approval letter is a formal document sent after Board approval, which outlines the conditions you must meet before entering into a project agreement.

Approval Letter Process

- (a) Before signing the project agreement, the business must return a signed approval letter.
- (b) The letter includes conditions subsequent, such as:
 - Collaborative relationship entered
 - Compliance with prevailing wage and affirmative action rules
 - Compliance with environmental and sustainability standards
 - Submission of planning approvals, site control, and financing documentation
- (c) If documentation is not submitted within 1 year, approval expires, unless extended by the EDA.
- (d) Must include estimated completion date and require periodic progress reports.
- (e) Letter must be signed by the CEO or equivalent, certifying all facts under penalty of perjury.

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

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

44. What does the project agreement include?

A project agreement includes:

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

45. How is the "median salary" determined for eligibility?

The salary threshold is based on 120% of the median salary for manufacturing employees in the county in which the project is located:

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

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

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

- Forfeit its tax credit for that tax period and any subsequent periods
- Be ineligible to claim further credits until it restores both the number and salary levels of

eligible positions to at least 80% of the required threshold and receives approval from NJEDA

47. *What determines if a business is in “substantial good standing”?*

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

NJ Taxation: The cornerstone of good standing is holding a valid Tax Clearance Certificate. The applicant is responsible for obtaining a Business Tax Clearance Certificate by reaching out to the NJ Division of Taxation through its website portal. This certificate confirms that the business is up-to-date with its state tax obligations, including corporate business tax, sales and use tax, and employer withholding taxes. <https://www.state.nj.us/treasury/taxation/busasst.shtml>

Labor Law Adherence: Businesses must be in good standing with the New Jersey Department of Labor and Workforce Development (DOL). This entails compliance with state labor laws and regulations, which can include proper payment of wages, unemployment and disability contributions, and adherence to worker safety standards. To verify this, the NJEDA will directly contact the DOL.

Environmental Regulation Compliance: Good standing with the New Jersey Department of Environmental Protection (DEP) is another crucial element. This signifies that the business is operating in compliance with all applicable state environmental laws and regulations, which may involve permits, emissions standards, and waste disposal protocols. As with labor compliance, the NJEDA will reach out to the DEP to ensure the business is in good standing.

48. *What happens if a business is not in substantial good standing with DEP, DOL, or Treasury?*

The business may still be eligible if it has an approved corrective action plan with the relevant department. If the business has not resolved compliance issues or entered into an agreement with the relevant department—and has been formally notified and given the opportunity to respond, may forfeit tax credit issuance until those issues are resolved.

49. *Does the authority conduct background checks?*

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

50. *Can my annual credit amount change?*

Yes. Each year’s credit can be recalculated based on your annual report submission and performance.

51. *Can the authority audit my records after approval?*

Yes. The EDA may audit payroll records, and any documents related to annual reports, certifications, or affiliate additions as needed.

52. *Are there indemnification or insurance requirements?*

Yes. The agreement will include insurance and indemnification clauses protecting the Authority.

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

Any material misrepresentation may result in default and associated penalties or remedies, including recapture of credits.

54. What certifications are required after project completion?

You must submit the following:

1. **Capital Investment Certification:** from a qualified, independent CPA using an agreed-upon procedures (AUP) letter.
 - a. If your capital investment is below the program minimum, you're ineligible for tax credits.
2. **Employment & Salary Certification:** Also, from a qualified CPA (or your CFO if pre-approved).
 - a. The job count used in your final certification cannot exceed the number approved by the Board.
 - b. Falling below the required job threshold also voids your eligibility.
3. **CPA Options:**

You may use a CPA not on the EDA's qualified list if the eligible business demonstrates an extenuating circumstance prohibiting the eligible business from retaining a qualified certified public accountant. Such circumstances include, but are not limited to, the unavailability of any of the qualified certified public accountants to timely complete the certification or none of the qualified certified public accountants are independent to the eligible business;
4. **Licensed Engineer Certification:** Confirming the facility met the minimum environmental and sustainability standards.
5. **Evidence of a Collaborative Relationship:** As defined in your project agreement.
6. **Site/Floor Plan:** Detailing uses, square footage, and compliance with the definition of a qualified business facility.
7. **Additional Documentation:** The Authority may request more materials or validate your reports with data from DOL.
8. **CEO Certification:** The CEO or equivalent officer must certify all submissions as true under penalty of perjury.

55. When will we receive our tax credit certificate?

Within 90 days of the Authority's acceptance of your certification (including proof of project completion), the Authority will issue your tax credit certificate and notify the Division of Taxation. The amount will be based on the certified information and subject to ongoing compliance.

56. Can my business change its name?

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

- If your tax ID stays the same, no formal modification is required.
- If your tax ID changes, a formal modification is necessary.

57. Which taxes can the credit be applied to?

Credits may be applied to the following NJ tax liabilities:

- Corporate Business Tax
- Insurance Premium Tax
- Gross Income Tax

58. How are my taxes affected by receiving these tax credits?

We are unable to offer any tax advice but strongly suggest reaching out to your tax professional to understand any tax implication.

59. Can the Authority amend or terminate the agreement?

Yes. The project agreement will specify the conditions for amendment or termination by either the EDA or the business.

60. When can I apply for my tax credit?

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

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

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

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

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

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

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

64. After we submit an application, can we change who we have a collaborative relationship with?

Yes, a company can change their collaborative relationship after application submission. If the change happens before NJEDA Board approval, the company will need to notify NJEDA staff and supply NJEDA with a new contract or LOI for the new relationship. If it is changed after NJEDA Board approval and submission of the project completion certification documents, the company will need to supply NJEDA staff proof of termination of the old relationship and a contract for the new one. Note: the applicant will not be charged a modification fee for either of these edits.