

NJEDA Modifies Reporting Requirements for Grow NJ and HUB Tax Credit Programs in Response to COVID-19

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On April 14, 2020, the New Jersey Economic Development Authority (NJEDA) approved modifications to its existing reporting requirements under the Grow New Jersey and Urban Transit Hub (HUB) tax credit programs.

As announced on the NJEDA's website, the existing annual reporting requirements for businesses participating in these programs have now been modified to exclude those months during which New Jersey Governor Phil Murphy's Executive Order 107 remains in effect. To qualify for the waiver, businesses must demonstrate that the impact of COVID-19 prevented its employees from working at the facility of the business and that there were no viable work-from-home options.

Specifically, businesses will be required to make an application to the NJEDA for the waiver, verifying that the business is not deemed "essential" as defined in Executive Order 107, or that the business has experienced limited attendance by its employees as a result of social distancing protocols. This verification must be accompanied by a certification and explanation from the CEO of the qualified business stating that employees could not perform their duties remotely. In limited instances, the NJEDA will re-administer the "net benefits test" to account for the excluded months, which may result in a reduction of award over those months, which will be taken out of the 2020 tax credit allocation.

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