NJEDA
ECONOMIC DEVELOPMENT AUTHORITY

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PRESS RELEASE

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NJEDA MODIFIES GROW, HUB REPORTING REQUIREMENTS TO ACCOMMODATE BUSINESSES IMPACTED BY COVID-19

TRENTON, N.J. (April 14, 2020) – In response to the COVID-19 outbreak in New Jersey, the New Jersey Economic Development Authority (NJEDA) Board today modified reporting requirements for businesses receiving tax credits through the Grow New Jersey (Grow NJ) and Urban Transit Hub (HUB) programs. Companies that have been approved for tax credits through these programs must submit annual reports that include the average of the number of workers they employed each month during the previous year. The rule change modifies these reporting requirements to exclude months during which Governor Phil Murphy's Executive Order 107 (EO 107) is in effect if the business can demonstrate COVID-19 prevented employees from working at the qualified business facility and there are no viable work-from-home options.

"The COVID-19 outbreak has created unprecedented challenges for the State of New Jersey and our business community. Governor Murphy's comprehensive, proactive response is what we need, but the pandemic is having a significant impact on businesses of all sizes," said NJEDA Chief Executive Officer Tim Sullivan. "Modifying the reporting deadlines for these incentive programs will ensure that we uphold our commitment to transparency and accountability while providing businesses the flexibility to do what they need to address the immediate hurdles they face and support their employees during this difficult time."

On March 21, 2020, Governor Murphy issued EO 107, announcing a statewide stay at home order and closure of all non-essential retail business, requiring all employers to offer work-form-home wherever practicable, and directing all residents to abide by social distancing practices.

Under the existing rules for the Grow NJ and HUB programs, award recipients must submit a report for each year of the award to demonstrate that the business has satisfied the program's employment requirement. This report includes the number of workers the recipient employed

employment requirement. This report includes the number of workers the recipient employed over the past year, determined by averaging the number of employees for each month. Under the rule change approved today, this average will exclude the months during which EO 107 is in effect for recipients that are unable to (1) continue regular employment at the qualified business facility and (2) provide work-from-home opportunities.

To qualify for this waiver, a business must verify it is not deemed essential under EO 107 or has limited employee attendance at its qualified business facility as a result of adherence to social distancing restrictions. The company's CEO must also certify and explain, to the satisfaction of NJEDA staff, that employees could not perform their duties remotely.

In addition to these requirements, the NJEDA, in limited instances, will re-administer the Net Benefits Test, which ensures the economic benefit a company brings to New Jersey is greater than the amount that business will receive in tax credits, to account for the excluded months. If the recalculated Net Benefit model reduces the net benefit below the minimum required amount, the business's award will be reduced until the net benefit requirement is satisfied. The reduction will be taken out of the 2020 annual tax credit allocation.

Comprehensive information about New Jersey's response to the COVID-19 outbreak is available at https://covid19.nj.gov/. The NJEDA encourages award recipients with specific questions to reach out to their assigned Incentives Officer.

About the New Jersey Economic Development Authority
The New Jersey Economic Development Authority (NJEDA) serves as the State's principal agency for driving economic growth. 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 provide pathways to a stronger and fairer economy. Through partnerships with a diverse range of stakeholders, the NJEDA creates and implements initiatives to enhance the economic vitality and quality of life in the State and strengthen New Jersey's long-term economic competitiveness.

To learn more about NJEDA resources for businesses call NJEDA Customer Care at 609-858-6767 or visit https://www.njeda.com and follow @NewJerseyEDA on Facebook, Twitter, and LinkedIn.

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