



Governor Phil Murphy

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Newark, N.J.

Governor Murphy Outlines New Vision for Tax Incentives

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Targeted, Transparent, and Capped Tax Incentives Will Help Restore New Jersey's Prominence in the Innovation Economy

CHERRY HILL – In a speech at the incubator space 1776 in Cherry Hill, Governor Phil Murphy today outlined his vision for reshaping New Jersey's tax incentive programs. The Governor renewed his call for a suite of tax incentives that are targeted, transparent, and capped, focused on restoring New Jersey's prominence in the innovation economy and supporting small businesses, startups, incubators, and co-working spaces. The Governor also released proposed legislation to replace the current incentives programs that are set to expire on June 30th.

"Building communities requires some sort of incentives program – but it must be one that is predictable and sustainable, transparent and accountable, and smartly devised and strategically deployed," **said Governor Murphy in his address.** "What this is about is making sure we have policies in place that don't just allow some to do well, but which allow entire communities to do well. Our proposed incentives meet this test. Our current program failed this test."

The Governor gave his address at 1776, a state-of-the-art business incubator in Cherry Hill where entrepreneurs, makers, and businesses can work together in a collaborative environment.

The Governor's proposal builds on his economic master plan unveiled in October and includes five programs, which together create a robust incentive package worth \$400 million annually.

"Gov. Murphy's proposal for a new generation of economic development incentives represents a comprehensive approach to recapturing New Jersey's leadership position in the innovation economy and revitalizing our communities," **said New Jersey Economic Development Authority Chief Executive Office Tim Sullivan.** "The Evergreen Innovation Fund is a potential game changer which, in partnership with a suite of targeted, sector-specific, and placemaking tools supporting mixed use, transit-oriented development, and brownfield and historic property redevelopment, will enhance New Jersey's long-term competitiveness."

Included in the suite of incentives are significant assurances that the program will create good jobs not just at the businesses who receive an award, but also for the working men and women of New Jersey.

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The five programs included in the plan are:

- **NJ Forward** – This jobs-based program will provide credits to companies engaged in high-growth industries, U.S. businesses creating a Northeast headquarters, foreign businesses creating a U.S. headquarters, and major job retention projects.

- NJ Aspire – This program will catalyze investments in commercial, residential, and mixed-use projects through a place-based gap financing program.
- Brownfields Redevelopment Program – This program will pair with EDA's Brownfields Loan Program to catalyze more remediation projects and increase job creation.
- Historic Preservation Tax Credit Program – This program, modeled after the National Historic Tax Credit program, will partially reimburse developers who revitalize income-producing historic buildings.
- Innovation Evergreen Fund – This fund is designed to supercharge venture capital investment into Garden State startups.

Each program is capped for a total annual value of \$400 million. The lynchpin of the plan is the Innovation Evergreen Fund, which will leverage tax incentives to help lure venture capital money back to New Jersey.

"New Jersey was long known as the home for innovation and the role of tech companies that were founded here is legendary," **said EDA Board Chairman Kevin Quinn.** "But over the past decade, the new legends of technology have chosen to grow elsewhere. The plan outlined by the Governor presents a great opportunity for New Jersey to restore its heritage at the top of the global innovation economy."

For over a year, dating back to his March 2018 Budget Address, Governor Murphy has asked the Legislature to work alongside him to pass these new and innovative incentives plans to help New Jersey continue to attract top businesses from around the country, as well as invest in startups to reclaim New Jersey's leadership in the innovation economy. The governor first proposed the outlines of a new incentive program in November.

The Governor's remarks, as prepared for delivery, may be found [here](#).

Click [here](#) for the full bill draft.

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