

Extension of Sales and Use Tax Exemptions on Certain Purchases of Tangible Personal Property and Services for Leased Commercial Office Space in Lower Manhattan

Chapter 203 of the Laws of 2009 extended the tax-related incentives for businesses to locate or relocate their offices and employees in lower Manhattan. The original incentives were provided by Chapter 2 of the Laws of 2005 (Tax Law section 1115(ee)). Included in the new legislation are amendments that extend exemptions from New York State and local sales and use taxes (sales tax) for certain purchases of tangible personal property and services related to leased commercial office space in certain eligible areas in lower Manhattan (i.e., Eligible Area A and Eligible Area B).

A detailed explanation of the original New York State and New York City local sales and use tax exemptions available for Eligible Area A and Eligible Area B as enacted by Chapter 2 is provided in TSB-M-05(12)S, *Sales and Use Tax Exemptions on Certain Purchases of Tangible Personal Property and Services for Leased Commercial Office Space in Lower Manhattan*. TSB-M-05(12)S is available on the Tax Department's Web site at www.nystax.gov.

Eligible Area A

For Eligible Area A, as described in TSB-M-05(12)S, the new law extends the date by which a qualifying commercial lease must commence under section 1115(ee) from September 1, 2009, to September 1, 2013. The new law also provides that the sales tax exemptions for Eligible Area A will expire on December 1, 2014.

Eligible Area B

For Eligible Area B, as described in TSB-M-05(12)S, the new law extends the date by which a qualifying commercial lease must commence under section 1115(ee) from September 1, 2009, to September 1, 2015. The new law also provides that the sales tax exemptions for Eligible Area B will expire on December 1, 2016.

Chapter 203 took effect immediately and is deemed to have been in effect on and after June 30, 2009.

NOTE: A TSB-M is an informational statement of existing department policies or of changes to the law, regulations, or department policies. It is accurate on the date issued. Subsequent changes in the law or regulations, judicial decisions, Tax Appeals Tribunal decisions, or changes in department policies could affect the validity of the information presented in a TSB-M.