



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

This memorandum summarizes amendments made to the Tax Law that extend the availability of sales tax-related incentives for businesses to locate or relocate their offices in lower Manhattan.

Part E of Chapter 61 of the Laws of 2017, among other provisions, extended the availability of certain sales tax-related incentives for businesses to locate or relocate their offices and employees in lower Manhattan. These incentives were originally provided by Chapter 2 of the Laws of 2005, which exempts from New York State and local sales and use tax (sales tax) certain purchases of tangible personal property and services related to leased commercial office space in two eligible areas in lower Manhattan (Eligible Area A and Eligible Area B) for three years. (see Tax Law § 1115[ee]).¹ This extension took effect on June 29, 2017.

Eligible Area A

For Eligible Area A, the date by which a qualifying commercial lease must begin under Tax Law § 1115(ee) has been extended from September 1, 2017, to September 1, 2020. The sales tax exemptions for Eligible Area A continue to apply until December 1, 2021.

Eligible Area B

For Eligible Area B, the date by which a qualifying commercial lease must begin under Tax Law § 1115(ee) has been extended from September 1, 2019, to September 1, 2022. The sales tax exemptions for Eligible Area B continue to apply until December 1, 2023.

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.

¹ [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*, provides a detailed explanation of the original New York State and New York City local sales and use tax exemptions available and includes a description of Eligible Area A and Eligible Area B.