

LI development agencies grant \$306M in tax breaks

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Photo credit: Newsday / Karen Wiles Stabile | Exterior of the new Canon building in Melville, which was constructed with the help of IDA tax breaks. (Feb. 19, 2013)

Long Island's eight industrial development agencies together granted \$306 million in tax breaks to expanding businesses between 2008 and 2011, state regulators said Tuesday.

The Authorities Budget Office released a report showing \$2.2 billion in tax breaks were given out statewide in the four-year period. The reductions are for property taxes, sales tax and the mortgage recording tax.

Locally, the incentives were nearly matched by \$303 million in payments in lieu of taxes from businesses.

About 630 projects benefited from IDA assistance in Nassau and Suffolk counties. The Suffolk County IDA had the most with 126, followed by Nassau County IDA, 123, and Babylon IDA, 122. However, the largest tax breaks, \$116 million, were granted by Hempstead Town IDA for about 66 projects, followed by Nassau IDA, \$84 million for 123 projects.

“Economic development officials see these tax exemptions as effective and essential for spurring economic development,” said David Kidera, the budget office’s director. “At the same time, local governments and the state, which are asked to forego potential revenue, and taxpayers, who often bear the burden of these tax exemptions, expect that assisted projects deliver the new jobs and sustained economic benefits they promise.”

He also noted the report’s data had been verified by the IDAs. It did not include jobs figures.