

FINANCIAL EXPOSURE:

Rating the States on Economic Development Transparency
(read here: <https://goodjobsfirst.org/financialexposure>)

APPENDIX for New Jersey

Transparency scores for major state programs
(* see next page for scoring details)

Program Description	Recent Annual Cost	Online Recipient Disclosure	Recipient Disclosure Score*
Aspire - 10-year tax credits for real estate development projects in selected areas; subsidy capped at \$50 million per project but under "transformative project" designation, companies investing \$100 million are allowed up to \$350 million.	\$1.1 billion (2022)	none	18/100
Business Employment Incentive Program (BEIP) - originally, the 10-year program allowed companies to keep 80% of new workers' state income taxes withholdings. In 2017, companies could choose to convert the payments (grants) into tax credits. Even though expired, the 10-year program has a significant cost.	\$211 million (2022)	Source	39/100
Emerge Program - transferable corporate business tax or insurance premiums tax credits that can reach \$8,000 per job; credits are available for 7 years to companies in selected areas that create or retain jobs.	\$1.1 billion (2022)	none	18/100
Film And Digital Media Tax Credit Program - transferable, first-come-first serve income tax credits for film and digital media productions; credits equal up to 35% of qualified expenditures for film and up to 25% for digital media productions.	\$75 million (2022)	Source	35/100
Research and Development Tax Credit - a corporate income tax credit equal to 10% of new qualified expenditures on research; the credits can be carried forward for up to 15 years.	\$309 million (2022)	none	0/100

Financial Exposure: Rating the States on Economic Development Transparency	Maximum possible score	Aspire	Business Employment Incentive Program (BEIP)	Emerge Program	Film And Digital Media Tax Credit Program	Research and Development Tax Credit
Scoring Details for New Jersey Programs						
<i>Score criteria (point values in parentheses)</i>						
PROJECT INFORMATION						
address/coordinates (8); zip code (5); city or county (3)	8	0	3	0	3	0
month + year of agreement/contract/project (1)	1	1	1	1	1	0
nature of project (1)	1	1	1	1	1	0
ADVANCE NOTICE AND PUBLIC PARTICIPATION						
full applications (5); applicant names + amounts (2); applicant names (1)	5	0	0	0	0	0
cost-benefit analysis at least 15 days in advance (3)	3	0	0	0	0	0
meeting: full proposal (4); program + applicant (3); agenda (2); dates (1)	4	3	3	3	3	0
full draft agreements ahead of approval (3); full agreements after (1)	3	0	0	0	0	0
RECIPIENT IDENTITY						
federal employer identification number (1)	1	0	0	0	0	0
industry classification NAICS code (1)	1	0	0	0	0	0
parent company for all awardees (3)	3	0	0	0	0	0
SUBSIDY INFORMATION						
approved/awarded subsidy value (4)	4	0	4	0	4	0
disbursed/claimed subsidy amount (6)	6	6	6	6	6	0
status + penalty actions (10); status only (5)	10	5	0	5	5	0
JOB CREATION REPORTING						
number of projected new/retained jobs/trainees (6)	6	0	6	0	0	0
number of actual new/retained jobs/trainees (14)	14	0	7	0	0	0
WAGES/PAYROLL REPORTING						
projected wage/payroll for new/retained jobs (5)	5	0	0	0	0	0
actual wage/payroll for new/retained jobs (10)	10	0	0	0	0	0
EXPENDITURE/INVESTMENT REPORTING						
projected capital investment/expenditure/cost (1)	1	0	1	0	1	0
actual capital investment/expenditure/cost (4)	4	0	0	0	4	0
DATA ACCESSIBILITY AND USABILITY						
two clicks from program page (3); - 1 for every additional click	3	0	3	0	2	0
unambiguous data and explanations (2)	2	0	1	0	2	0
five years of data placed together (2); on different pages (1)	2	2	2	2	2	0
downloadable to database applications (3); downloadable to PDF (1)	3	0	1	0	1	0
TOTAL PROGRAM SCORE	100	18	39	18	35	0

see next page for scoring notes

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Scoring notes for New Jersey

Aspire and Emerge programs were created in 2021 and are too new to have recipient disclosure reports. We asked New Jersey Economic Development Agency (NJEDA) for an outline of what the future disclosure will look like but we did not get an answer. Thus, we used the programs' laws and regulations to assess required level of transparency. In both cases, we assigned points for subsidy outcomes, as the statutes and regulations state that NJEDA must post online which companies transfer tax credits, how much, and to whom. Also, we assigned points in project duration, description, and statutes - a state university must perform a biannual report with an analysis of outcomes for each subsidized project but there it is not specified whether those reports would include data on jobs, wages, or investment and if they would be posted online. Businesses must also report to the agency on various items; for example, job creation. However, we have not found any requirements for the data to be posted online.

Aspire

Disclosure link: N/A - see the note above.

Business Employment Incentive Program (BEIP)

Disclosure link: https://www.njeda.com/public_information/#Activity-reports

BEIP recipients are disclosed in three documents posted to NJEDA's Public Information webpage, under Reports section. 1) BEIP legacy reports (2005-2013) include companies approved for the program in a report year, job promises, and subsidy awards. In some instances, older entries include job outcomes and subsidy payments. 2) In 2018, the program was converted from grants to tax credits. NJEDA posts a list of BEIP executed grants between 1996 and 2018 (under Incentive Activity Reports) with various data points including dates, subsidy awards and payments, jobs. 3) NJEDA Annual Reports (starting with the 2018 one) lists companies (see Exhibit D] that were issued BEIP tax credits in a report year. The

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reports include company name, locality and amount issued in a report year. We deducted points in the job outcome category as this data is missing for some recipients. Also, we deducted points in data clarity as it can be confusing to connect and match data from all three documents.

NJEDA Board posts online agendas 48 hours before its meetings. The agendas include various types of information, including companies that are applying for subsidies via different programs. BEIP is an expired program, so we assigned the same points as for other programs.

Emerge Program

Disclosure link: N/A – see the note above.

Film And Digital Media Tax Credit Program

Disclosure link: https://www.njeda.com/public_information/#Activity-reports

Subsidy recipients are disclosed in two locations on the New Jersey Economic Development Authority's Public Information webpage. Under Incentive Activity Reports, there are two PDF tables, Film Tax Credits and Digital Media Tax Credits, that list companies approved for the subsidies, estimated awards, and expenditures. The second source of recipient data are the NJEDA Annual Reports. A table called "Complete Project List" includes data on location, subsidy paid, and investment made (search by the program acronym, FTCTC; the Digital Media Tax Credit projects are too new to report). Agendas of the NJEDA Board meeting are posted on the agency website 48 hours ahead of the board meeting and include company name and requested amounts.

Research and Development Tax Credit

There is no online recipient disclosure for this program.