

EMPLOYEE TRAINING INCENTIVE PROGRAM

General information about the Employee Training Incentive Program is provided in this Overview. For more information, eligible applicants should visit <https://esd.ny.gov/employee-training-incentive-program>.

Overview

The Employee Training Incentive Program provides refundable tax credits to New York State employers for skills training that upgrade, retrains or improves the productivity of their employees. Businesses can also receive tax credits for approved internship programs that provide training in advanced technology, life sciences, software development or clean energy. The Program will make \$5 million in tax credits available to businesses annually, with up to \$1 million in credits available for approved internship programs.

Tax Credits

Tax credits may be awarded for costs associated with an eligible training program for current and new employees, or for internship programs for current students, recent graduates, and recent members of the armed forces. Tax credits may be issued only after approved training is completed.

Employee Training Incentive Program: a credit of 50% of eligible training costs, up to \$10,000 per employee receiving eligible training.

Internship Program: a credit of 50% of the stipend paid to an intern, up to \$3,000 per intern.

Program Eligibility

A business entity must submit a ETIP Consolidated Funding Application to be evaluated by the Empire State Development tax incentives department. If the Employee Training Incentive Program is deemed appropriate for the project the applicant will receive approval for participation into the program and a conditional certificate of eligibility will be issued.

Applicants must demonstrate that the training provider has suitable experience and expertise specific to the training for which assistance is being sought. A Final Application must be submitted after the approved training is completed and no later than 24 months from the date of the certificate of conditional eligibility.

Employee Skills Training

The business entity must make a significant capital investment resulting in a benefit-cost ratio of at least 10:1 in relation to the training. The business entity must demonstrate that it is operating predominantly in a **strategic industry** based upon the following criteria:

- potential to create jobs in an economically distressed area;
- shortages of workers trained to work in that industry;
- ability and need to relocate to another state to find qualified workers;
- potential to recruit minorities and women to be trained to work in an industry where they are traditionally underrepresented;
- recent technological advances have created disruption in the industry and significant capital investment is needed to remain competitive.

Internship Program

An eligible internship program must provide training in **advanced technology, life sciences, software development, or clean energy**.

Training can be provided to interns who have not previously participated in an eligible internship program and who are not current or former employees of the business. The business entity must have less than 100 employees and interns cannot displace regular employees.

Participation in the internship program cannot last longer than 12 months.

Advanced technology means the research, development and manufacturing of goods and their applications in the areas of advanced materials and processing technologies, integrated electronics, optics, biotechnology, information and communication technologies, automation and robotics, electronics packaging, imaging technology, remanufacturing, and other such areas as the commissioner shall determine.

Life Sciences means agricultural biotechnology, biogenerics, bioinformatics, biomedical engineering, biopharmaceuticals, academic medical centers, biotechnology, chemical synthesis, chemistry technology, medical diagnostics, genomics, medical image analysis, marine biology, medical devices, medical nanotechnology, natural product pharmaceuticals, proteomics, regenerative medicine, RNA interference, stem cell research, medical and neurological clinical trials, health robotics and veterinary science.

Software development means firms engaged in the creation of coded computer instruction.

Clean energy means sources of energy which are capable of being continually restored by natural or other means or are so large as to be useable for centuries without significant depletion and include but are not limited to solar, wind, plant and forest products, wastes, tidal, hydro, geothermal, deuterium, and hydrogen. Fossil fuels are excluded.

Ineligible Activities/Industries

Training designed to train or upgrade skills as required by a federal or state entity, training that may result in the awarding of a license or certificate required by law in order to perform a job function, and culturally focused training are not eligible for tax credits under the Program.

The following types of businesses are also prohibited from participating in the program.

- accounting firms
- businesses engaged in the generation or distribution of electricity, the distribution of natural gas, or the production of steam associated with the generation of electricity

- businesses providing business administrative or support services
- businesses providing personal services
- businesses providing utilities
- finance and financial services
- hospitality
- law firms
- medical or dental practices
- real estate brokers
- real estate management companies
- restaurants
- retail and wholesale businesses

Application Process

Applications for the Employee Training Incentive Program must be submitted prior to the start of the skills training or internship program.

The **Initial Application** is submitted through the **Consolidated Funding Application**, which is a web-based application. When you are ready to apply, go to apps.cio.ny.gov/apps/cfa/. Once you complete the registration, proceed to the Program List and add the **Employee Training incentive Program**.