

Tourism Return-to-Work Grant Program Frequently Asked Questions

A. OVERVIEW

1. What is the Tourism Return-to-Work Grant Program?

The New York State Tourism Return-to-Work Grant Program (the “Program”) offers grants to businesses in the tourism industry that increase their average employment between January 1, 2022 to June 30, 2022 by at least 1 net new full-time equivalent job, relative to their pre-existing employment. Enhanced benefits to the existing program will be available for businesses to document additional employment growth that occurred during July – September 2022.

2. What is the goal of the Program?

The Program was created to incentivize employment growth by providing financial assistance to businesses in the tourism industry that suffered economic hardship due to the COVID-19 pandemic.

3. How much funding is available under the Program?

In total, there is a maximum of \$100 million available for grants under the Program.

ESD plans to allocate awards on a first-come, first-served model, according to the date by which a complete preliminary application is submitted.

4. How will grant award amounts be determined?

Grant award amounts will be calculated as \$5,000 for each net new full-time equivalent jobs added from January 1, 2022 to June 30, 2022 as compared to the Average Starting Employment number established from October 1, 2021 to December 31, 2021, and/or \$2,500 for net employee increases constituting at least fifty percent of a full-time equivalent job (i.e., a part-time equivalent). A grantee must achieve a net employment increase of at least one full-time equivalent to qualify for funding. Businesses will also be able to document additional employment growth that occurred during July – September 2022.

For seasonal businesses the Average Starting Employment will be based on average employment established from January 1, 2021 to June 30, 2021.

5. What is the minimum / maximum amount of grants per grantee?

The minimum grant award per Grantee is \$5,000, in which the Grantee would need to show the average of at least 1 net new full-time equivalent job added from January 1, 2022 to June 30, 2022.

The maximum grant award per grantee is \$250,000, for which the Grantee would need to show the average of at least 50 net new full-time equivalent jobs added from January 1, 2022 to June 30, 2022.

6. Who is administering the Program?

The Program is administered by Empire State Development (ESD), the state's chief economic development agency, which will review initial applications to determine eligibility to participate in the Program. Once the documentation is available to show increased employment from January 1, 2022 to June 30, 2022, Applicants will submit the documentation for ESD's review. ESD will then determine the job growth achieved, and grant awards will be determined and disbursed accordingly. Additional grant awards will be made for businesses able to document employment growth that occurred during July – September 2022.

B. BUSINESS ELIGIBILITY REQUIREMENTS

7. What is a “business in the tourism industry” under the program?

A “business in the tourism industry” is a for-profit or non-profit business engaged in a tourism-related field including, accommodations, arts, entertainment, scenic and sightseeing transportation, tour operators, convention and visitor groups, or other business that, in ESD’s sole discretion, qualify as a business in the tourism industry. ([View the full descriptions & NAICS codes of eligible industries](#))

8. What other eligibility requirements apply to the program?

To be eligible, Applicants must also meet the following requirements:

- Continue to be in operation as of the date of application;
- Have experienced economic harm resulting from the COVID-19 pandemic, as evidenced by a year-to-year decrease of at least 15% of gross receipts and/or gross wages between 2019 and 2020. Applicants that file taxes on a fiscal year basis will submit returns for FY 2019-2020 compared to FY 2020-2021 to show economic harm. Non-profit organizations will use total revenue and/or salaries to calculate economic harm, and will also have the option to use operations revenue minus any grant and/or donations to calculate economic harm (Applicants must demonstrate a year-to-year loss of at least 15%; however Applicants with 25% or greater loss will receive priority);
- Be in substantial compliance AND attest to being in substantial compliance with applicable federal, state and local laws, regulations, codes and requirements;

- Not owe past due federal, state or local taxes, unless making payments pursuant to and complying with an approved binding agreement with the appropriate taxing authority;
- If a non-profit business (e.g., cultural institutions), be prequalified in Grants Gateway prior to the disbursement of any grant funds;
- Not be currently participating in the NYC Musical and Theatrical Production Tax Credit program OR the Empire State Musical and Theatrical Production Tax Credit Program;
- Eligible Applicants may not be more than 5% owned, directly or indirectly, by a publicly traded company.
- Be open to and/or service the public.

9. If my business received Federal assistance such as a U.S. Small Business Administration Payroll Protection Program (PPP) loan, Economic Injury Disaster Loan (EIDL), Restaurant Revitalization Fund (RRF), am I eligible to participate in this program?

Yes. Federal assistance does not disqualify a business from this Program.

10. If my business received State assistance such as a New York Forward loan or a COVID-19 Pandemic Small Business Recovery grant, am I eligible to participate in this program?

Yes. As the intent of the program is to support prospective job creation, prior State assistance does not disqualify a business

from receiving grants for increasing its employment under this program.

11. If my business participated (or is participating) in the NYC Musical and Theatrical Production Tax Credit program OR the Empire State Musical and Theatrical Production Tax Credit Program, am I eligible to participate in this program?

No. As both of these programs offer other forms of financial assistance for increasing employment, current participation in either of these programs will disqualify a business from participating in this Program.

C. BENEFIT ELIGIBILITY AND CALCULATION

12. What is a “full-time equivalent job?”

A full-time equivalent (FTE) job is one or more employees working at least 35 hours a week. For purposes of the Tourism Return-To-Work Program, ESD will calculate FTEs based upon the number of full-time jobs, part-time jobs, the total part-time hours, and the total wages a business reports in its application. All employment information in the application (full-time plus part-time employees and wages) must match that reported by a business in its Quarterly Combined Withholding, Wage Reporting, And Unemployment Insurance Returns (NYS-45).

13. What is the difference between full-time and part-time employees?

A full-time employee is an individual working 35 or more hours a week. A part-time employee is an individual working less than 35 hours a week.

14. Are LLC Members or S-Corporation shareholders counted as employees?

For purposes of this Program, the employee status of partners, LLC Members and S-Corporation shareholders follow the federal guidelines of the Internal Revenue Service (IRS). Partners in partnerships are not considered to be employees of the partnership. If the LLC is taxed as a partnership, the LLC Members are not employees. However, if the partnership chooses to be taxed as a corporation, its members may become salaried employees. And, an S-Corp shareholder who performs more than minor services for the corporation may be considered an employee for tax purposes.

You should consult with a tax advisor to determine the employee status of your LLC Members or S-Corporation shareholders that apply to your specific circumstances.

15. Are employees leased through a PEO counted as employees?

Yes, provided the professional employee organization is registered with the New York State Department of Labor.

You can check the to see that the PEO you are using is registered at <https://dol.ny.gov/professional-employer-organizations-peo>

16. What is meant by “gross receipts?”

The annual gross receipts figure you report in your application should come from your tax documents, listed [here](#).

17. What is meant by “gross wages?”

The annual gross wages figure you report in your application should come from your tax documents, listed [here](#).

18. What is average-full-time employment?

Average full-time employment means the average number of full-time equivalent jobs employed by a business entity during a given period.

The relevant periods are:

Average Starting Employment: October 1, 2021 through December 31, 2021 – this period is the average number of starting full-time and part-time equivalent jobs that will be

used to establish a baseline employment number from which future job growth will be measured. For seasonal tourism businesses, the baseline number will be based on employment from January 1, 2021 to June 30, 2021.

Average Ending Employment: January 1, 2022 through June 30, 2022 – this period is the average number of full-time and part-time equivalent jobs that will be used to calculate the employment increase when measured against the Average Starting Employment. ESD will calculate the average starting and average ending employment based on the employment information applicants provide in their applications.

Extended Program Period and Enhanced Benefits: July 1, 2022 through September 30, 2022 – businesses will be allowed to document additional employment growth that occurred during July – September 2022 (Q3 2022) by one of two options: Option A – net employment increase calculated by comparing average employment from July-September 2022 to April-June 2022; or Option B – net employment increase calculated by comparing the average employment in January-September 2022 to the average baseline employment established in October-December 2021. The option (A or B) most advantageous to the Business in terms of the higher grant amount will be selected. All other programmatic elements, including how award amounts are determined, will remain the same.

19. What is a “net employee increase”?

A net employee increase means at least one full-time equivalent employee is added between the Average Starting Employment and the Average Ending Employment.

20. How is a “net employee increase” calculated?

Simply stated, if the Average Starting Employment for your business is 15 and the Average Ending Employment is 20, then you had a net employee increase of five (5). However, there are factors that will make calculation of the net employee increase more complicated. ESD will calculate the net employee increase based on the employment information applicants provide in their applications.

All employment information in the application (full-time plus part-time employees and wages) must match that reported by a business in its Quarterly Combined Withholding, Wage Reporting, And Unemployment Insurance Returns (NYS-45).

21. How does an applicant determine part-time hours for reporting in its application?

The part-time hours an applicant reports in its application will be an estimate that must be based on the number of part-time employees reported. An applicant should determine the average number of hours per week the part-time employees

work, multiply by the number of part-time employees and then multiply by 4 to determine the total number of part-time hours for the month. For example, if an applicant reports 10 part-time employees and determines these employees work an average of 10 hours/week, then the total part-time hours would be $10 \times 10 \times 4$ to equal 400 part-time hours for the month.

22. What if my business meets the 15% loss threshold for gross wages but not the 15% loss threshold for gross receipts, or vice versa?

You may still be eligible - only one of the tests must be met to qualify.

23. Are there any job retention requirements?

Yes. Because the program analyzes total employment over a six-month growth period, an employer will have to maintain a full-time job for the full six months to get full credit. Jobs maintained for less than six months may be counted at fractional credit.

For example, to get an award of \$20,000, a business could hire 4 new full-time workers in January 2022, then retain them for six months. If the business hired those same 4 new full-time workers in April instead and only retained them for the final three months of the period, then they would only get half

credit, and would have an average of 3 net new workers over the six month period.

D. APPLICATION PROCESS

24. How do I apply for the Program?

An application portal is expected to be available on the Program webpage in February 2022.

25. What documentation will I need to apply?

The documents you will need to provide are listed in a separate form linked on the Program webpage, available [here](#).

E. DISBURSEMENT PROCESS

26. If I meet all Program eligibility criteria and I create at least 1 net new full-time equivalent job, am I guaranteed to receive a grant under this program?

No. The State budget allocated a maximum of \$100 million in available grants. If and when this allocation is exhausted, business entities will no longer be able to receive grants. While applicants must demonstrate a year-to-year loss of at least 15% (gross receipts or wages), Applicants with 25% or greater loss will receive priority. Business entities are encouraged to apply to the program as soon as possible.