

Program Guidelines

New York State

Tourism Return-to-Work Grant Program



State of New York

Kathy Hochul, Governor
Empire State Development

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I. Overview

The New York State Tourism Return-to-Work Grant 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.

II. Definitions

- “Businesses in the tourism industry” shall mean for-profit or non-profit businesses, open to and/or servicing the public, engaged in a tourism-related field including, accommodations, arts, entertainment, scenic and sightseeing transportation, tour operators, convention and visitor groups, or other businesses that, in ESD’s sole discretion, qualify as businesses in the tourism industry. (See Appendix for additional descriptions).
 - ESD may deny eligibility to any business that restricts membership or is not open to and/or servicing the public.
- “Average starting employment” shall be calculated as the average number of full-time and part-time equivalent jobs employed by a business entity in an eligible industry between October 1, 2021, and December 31, 2021. For seasonal businesses, average starting employment shall be similarly calculated between January 1, 2021, and June 30, 2021.
- “Average ending employment” shall be calculated as the average number of full-time and part-time equivalent jobs employed by a business entity in an eligible industry between January 1, 2022, and June 30, 2022.
- “Net employment increase” shall mean a net increase in employment between the average starting employment and the average ending employment of a grantee. In calculating the net employment increase achieved over six months, full-time equivalent jobs shall be those entailing at least 35 or more hours per week of work. Grant awards will be calculated as \$5,000 for each net employment increase in full-time equivalents between the average starting employment and the average ending employment, 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 (1) full-time equivalent to qualify for funding.

III. Eligible Applicant Qualifications

All Eligible Applicants must:

- Continue to be in operation as of the date of application;
- Be incorporated in New York State or licensed or registered to do business in New York State;
- 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 operating as businesses in the tourism industry (See Appendix for more descriptions);
- 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.

IV. Eligible Use of Grant Funds

Grantees will be permitted to use grant funds to hire workers as well as to offset labor costs.

V. Grant Amounts

Calculation:

- Grants will be calculated as described based on the net employment increase.
- For year-round businesses, the net employment increase will be measured as:
 - Q1-Q2 2022 average employment - Q4 2021 average employment

- For seasonal businesses, job growth will be measured as:
 - Q1-Q2 2022 average employment – Q1-Q2 2021 average employment.
- Job growth will be measured based on the average total Full-Time Equivalent Jobs and/or Part-Time Equivalent Jobs, not specific employees, allowing for turnover, provided exiting employees are replaced.
- For a net employment increase to be counted, the average job increase would need to be maintained for a six-month period (January – June 2022); job increases added mid-period will get fractional credit.

Award Range:

- Minimum of \$5,000 per grantee (average of 1 net new Full-Time Permanent Job added)
- Maximum of \$250,000 per grantee (average of 50 net new Full-Time Permanent Jobs added).

Evaluation & Disbursement:

- ESD plans to evaluate applications on a first-come, first-served model, according to the date by which a completed preliminary application is submitted;
- The application process will allow for a cure period. Applicants that meet the eligibility criteria, cure any application defects in a timely manner (five business days), pass all due diligence screens, and meet final submission deadlines will retain their initial place in line. Applicants that are late in curing applications or fail to submit final documentation by the due dates will lose their place in line.
- Grant awards will be disbursed following the successful submission of documentation showing employment growth in Q1-Q2 2022.

VI. Extended Program Period and Enhanced Benefits

The Program period is being extended and benefits enhanced to better assist many tourism businesses that, for a variety of reasons, have not fully recovered from the COVID-19 pandemic, and normally create more jobs during the high seasonal period of the summer and early fall. Specifically, businesses will be allowed to document additional employment growth that occurred during July – September 2022 (Q3 2022). All other programmatic elements, including how award amounts are determined, will remain the same.

Businesses already deemed eligible and participating in the Program will be invited to show additional employment from July 1, 2022 to September 30, 2022 following the disbursements of the initial grant awards as described in Section V above. An additional grant award will be calculated based on one of the following 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.

Businesses not already participating in the Program can begin the process by filling out a [required eligibility screening tool](#) to determine if the business qualifies for the program. If so, the business will be invited to submit a full application. The award amount will be determined based on the same method used to calculate awards for existing participants, including an additional award amount.

VII. Ineligible Applicants

The following businesses/entities are ineligible for grants:

- Locally-oriented Gyms & Fitness and Recreational Sports Centers
- Restaurants
- Churches and other religious institutions
- Government-owned entities or elected official offices
- Businesses primarily engaged in political or lobbying activities
- Landlords and passive real estate businesses
- Illegal businesses or enterprises
- Gasoline stations
- Other industry or business types as specified by ESD

VIII. Documentation Requirements

- ESD will request a preliminary application to determine a business's Program eligibility.
- ESD will also establish separate documentation that will be required for submission by eligible tourism businesses after the conclusion of the job growth period (Q1-Q2 2022) in order to receive final grant disbursements.
- For participation in the Enhanced Program, ESD will request documentation to establish job growth that took place from July-September 2022 (Q3 2022) to make an additional grant award if warranted.

The following documents will be required for applications:

- Proof of at least 15% Gross Receipts loss or 15% Gross Wages loss: 2019 and 2020 Business Income Tax returns. 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 its 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):
 - Items needed to show at least 15% Gross Receipts loss:
 - For corporations and LLCs – include IRS Form 1120 – Line 1a
 - For partnerships – include IRS Form 1065 – Line 1a and Schedule K-1
 - For sole proprietors – include IRS Form 1040 Schedule C – Line 1
 - For non-profits – include IRS Form 990 – Line 12
 - Non-profits have the option to subtract line 8 (contributions and grants) from Line 12 (total revenue)
 - Items needed to show at least 15% Gross Wages loss:
 - For corporations and LLCs – include IRS Form 1120 – Line 13
 - For partnerships – include IRS Form 1065 – Line 9
 - For sole proprietors – include IRS Form 1040 Schedule C – Line 26
 - For non-profits – include IRS Form 990 – Line 15
- Proof of business location and current operation: Two of the following documents:
 - Current lease; or
 - Deed; or
 - Utility bill; or
 - Current business bank statement; or
 - Current business mortgage statement; or
 - Business credit card statement; or
 - Professional insurance bill; or
 - Payment processing statement;
 - NYS ST-809 or ST-100 sales tax collection documentation.
- Actual employment data (full-time, part-time hours) along with NYS 45 forms from Q4 2021 (for verification) to establish baseline employment
 - For seasonal businesses, submit NYS 45 forms from Q1-Q2 2021 (for verification) to establish baseline employment

- Seasonal businesses must submit its most recent Employer’s Quarterly Federal Tax Return – include IRS Form 941
- For funds distribution: W-9 and bank account information

IX. Additional Information

- Eligible Applicant must provide evidence, acceptable to ESD, that the Eligible Applicant is operational and that the Eligible Applicant is not restricted by any state, local or other agency mandate.
- Due to a limited amount of funding, business type, geography and industry may factor into ESD’s determination to award a grant.
- ESD reserves the right to request evidence and additional information it, in its sole discretion, deems necessary to prove that any of these requirements are being met.

APPENDIX – Eligible Industries for Tourism-Return-to-Work Grants

Eligible Applicants will be operating in the following tourism-related businesses:

- Hotels; Casino Hotels; Recreational and Vacation Camps (except Campgrounds); (NAICS 721110; 721120; 721214)
- Theater Companies and Dinner Theaters; Dance Companies; Other Performing Arts Companies; Promoters of Performing Arts, Sports, and Similar Events with or without Facilities (NAICS 711110; 711120; 711190; 711310; 711320);
- Racetracks (NAICS 711212);
- Museums; Historical Sites; Zoos and Botanical Gardens (NAICS 712110; 712120; 712130)
- Amusement and Theme Parks; Amusement Arcades; Casinos; Other Gambling Industries; (NAICS 713110; 713120; 713210; 713290)
- Bowling Centers; All Other Amusement and Recreation Industries (NAICS 713950; 713990)
- Scenic and Sightseeing Transportation (Land/Water/Other); Tour Operators (NAICS 487110; 487210; 487990; 561520)
- Convention and Visitors Bureaus; Convention and Trade Show Organizers; (NAICS 561591; 561920)
- Other businesses (i.e., businesses that do not fall into one of the categories listed above) that, in ESD's sole discretion, qualify as businesses in the tourism industry