

Tax Credit for Growing Businesses

Article 3J Credits

Eligibility Requirements

In general, a taxpayer must satisfy all of the following general eligibility requirements to qualify for any of the Article 3J credits:

- Be an eligible business type as described below
- Meet the wage standard specified for each credit
- Provide health insurance for employees as specified for the credit
- Have a good environmental record
- Have a good Occupational Safety and Health Act (OSHA) record
- Have no overdue tax debts with the State

Eligible Business Types. Article 3J allows tax credits only to certain types of businesses. A taxpayer is eligible for a credit only with respect to activities occurring at an establishment whose primary activity is listed below. The primary activity of an establishment is determined based on the establishment's principle product or group of products produced or distributed, or services rendered. A taxpayer must meet one of the following descriptions in order to be eligible for an Article 3J credit:

Aircraft Maintenance and Repair. The provision of specialized maintenance or repair services for commercial aircraft or the rebuilding of commercial aircraft.

Air Courier Services Hub. The furnishing of air delivery of individually addressed letters and packages for compensation, in interstate commerce, except by the United States Postal Service.

Company Headquarters. A corporate, subsidiary, or regional managing office, as defined by NAICS, that is responsible for strategic or organizational planning and decision making for the business on an international, national, or multistate regional basis.

A taxpayer is eligible for a credit with respect to a company headquarters only if the taxpayer creates at least 75 new jobs at the company headquarters within a 24-month period. A company headquarters job is primarily responsible for administering, overseeing, and managing other establishments of the company. A taxpayer that meets this job creation requirement is eligible for credits with respect to the company headquarters for three taxable years beginning with the year in which the job creation requirement is satisfied. A taxpayer that creates an additional 75 new jobs at the company headquarters in a 24-month period after the completion of a three-year eligibility period is eligible for credits with respect to the company headquarters for an additional three taxable years beginning in the year in which the additional job creation requirement is satisfied. A taxpayer that engages in an activity that is not eligible for tax credits cannot become eligible for credits with respect to the ineligible activity by performing it at the same site as where the company headquarters is.

Customer Service Call Center. The provision of support service by a business to its customers by telephone or electronic means to support products or services of the business. For the purposes of this definition, an establishment is primarily engaged in providing support services by telephone or other electronic means only if at least sixty percent (60%) of its calls are incoming or at least sixty percent (60%) of its other electronic communications are initiated by its customers.

Electronic Shopping and Mail Order House. An industry in electronic shopping and mail order houses as defined by NAICS.

Information Technology and Services. An industry in one of the following:

1. Internet service providers, Web search portals, and data processing as defined by NAICS.
2. Software publishers industry as defined by NAICS.
3. Computer systems design and related service industry as defined by NAICS.

Manufacturing. An industry in manufacturing sectors 31 - 33 as defined by NAICS, but not including quick printing or retail bakeries.

Motorsports Facility. A motorsports racetrack classified in the United States racetrack national industry, as defined by NAICS.

Motorsports Racing Team. A professional racing team primarily engaged in the research and development, design, manufacture, repair, maintenance, and operation of motor vehicles used in live motorsports racing events before a paying audience.

Research and Development. An industry in scientific research and development services as defined by NAICS.

Warehousing. An industry in warehousing and storage as defined by NAICS.

Wholesale Trade. An industry in wholesale trade as defined by NAICS.