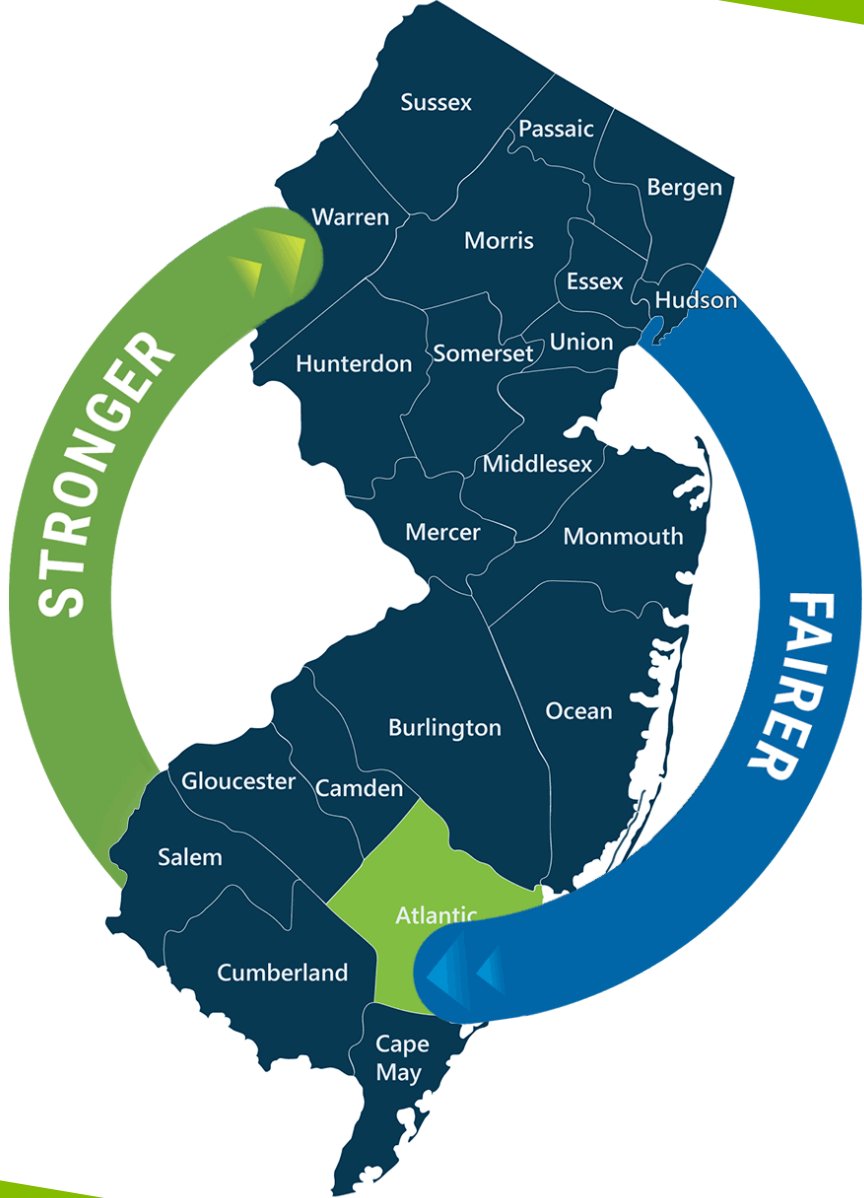


2024 Food Desert Relief Tax Credit Auction

April 2024



Food Desert Relief Tax Credit Auction

NJ corporations and insurance companies can bid for a **tax discount of up to 15%**

Can be applied to
**Corporation Business Tax
& Insurance Premiums Tax**

Tax credits can first be
used for tax year **2024***
with **7-year carry-forward**

Minimum tax credit
request of **\$500,000**

Minimum price of **\$0.85**
per dollar of credit

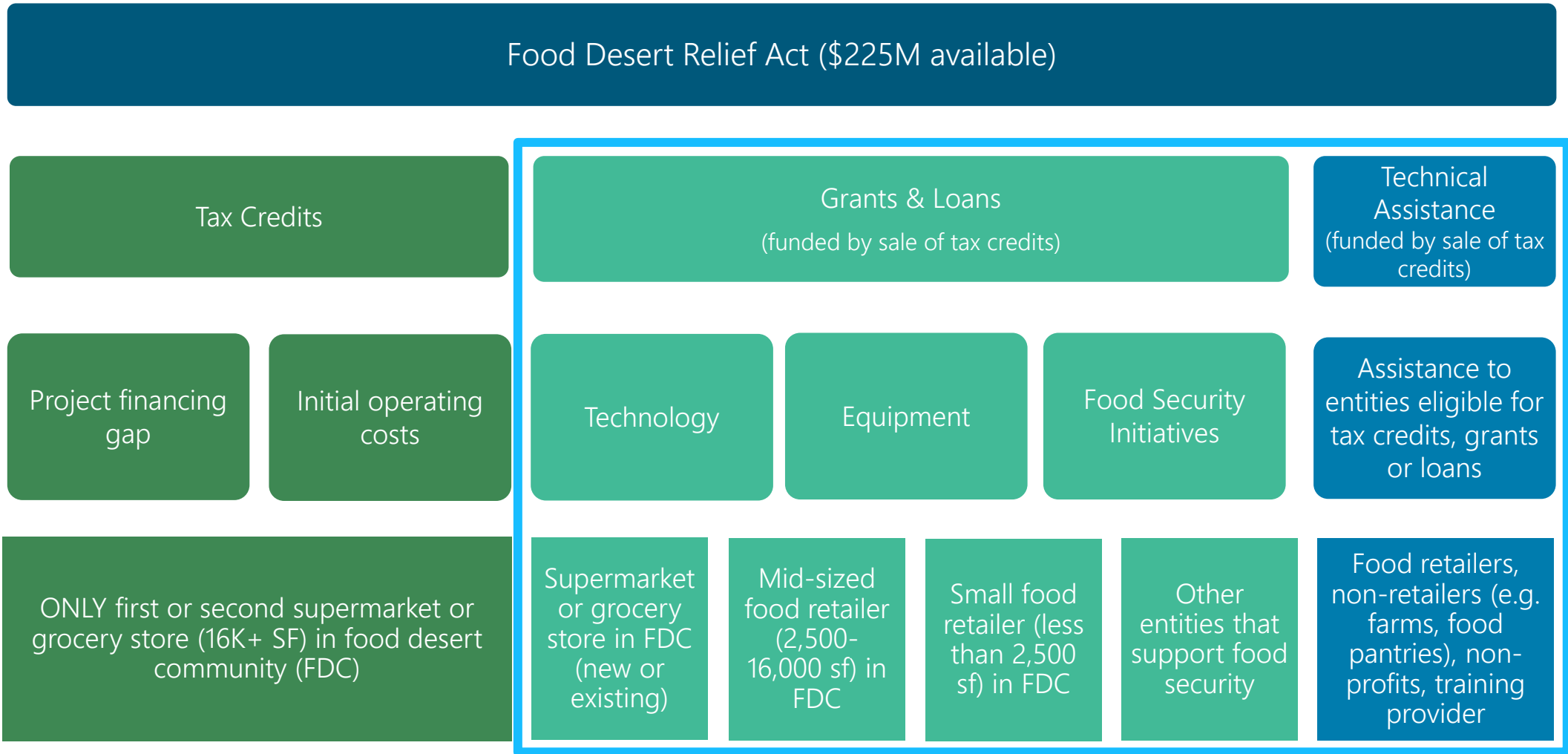
**No commitment or
compliance requirements**
after closing transaction



Proceeds from the auction will fund grant, loan, and technical assistance programs in designated **Food Desert Communities**, as specified by the Food Desert Relief Act

*Assuming bidders are calendar-year filers. Sale to be approved in Q3 or Q4 2024.

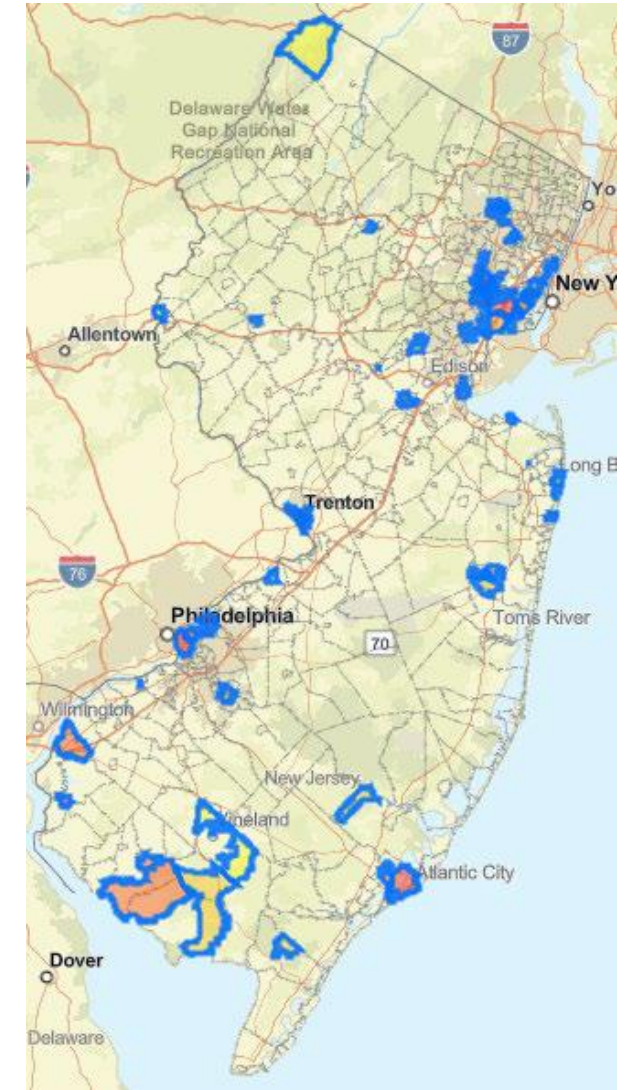
The Food Desert Relief Act creates new strategies for NJEDA to address food security



Learn more at <https://www.njeda.com/food-desert-relief-program>

New Jersey's 50 Food Desert Communities

- The FDRA directed EDA to work with the Departments of Community Affairs and Agriculture to designate up to 50 areas of the state as Food Desert Communities
- Designations were informed by a combination of rigorous, data-driven analysis and community input
- More than 1.5 million NJ residents live in a Food Desert Community (FDC)
- All 21 NJ counties have at least one FDC
- FDC designations include 57 municipalities
 - In most cases, just *portions* of a municipality are included in FDC designation, not the whole municipality
- 6 municipalities (Camden, Jersey City, Lakewood, Newark, Paterson, Trenton) are sub-divided due to the size of the population residing in an FDC
- Population size of each FDC ranges from 1,135 to 69,264



The interactive map of Food Desert Communities can be found at <https://www.njeda.gov/food-desert-relief-tax-credit-auction/>

Tax Credit Purchase Eligibility Criteria

Bidders do NOT need to:



Be in the food industry



Be in a Food Desert Community



Make any ongoing commitments beyond the purchase transaction

Bidders need to:



Be NJ CBT or IPT filers



Be in good standing with NJ DOL, DEP, and Taxation



Request at least \$500,000 in tax credits



Bid at least \$0.85 per dollar of tax credits



Pay a refundable deposit of 10% of total bid, up to \$500,000

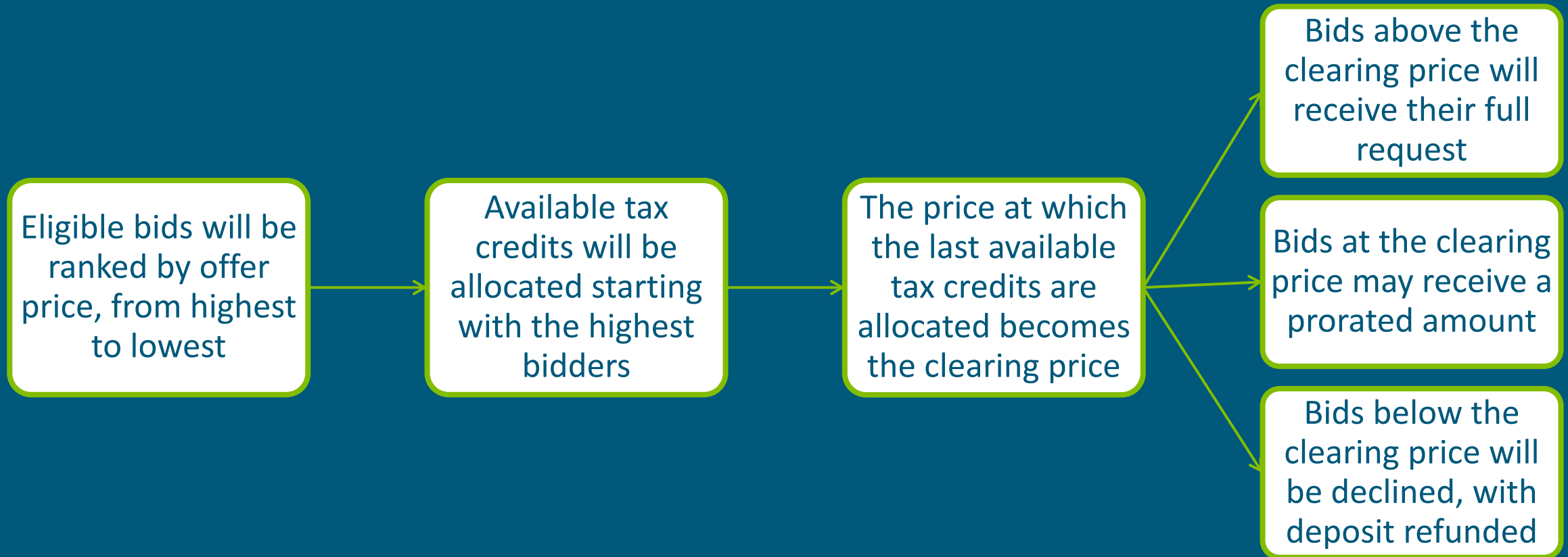


Undergo standard NJEDA legal review

Tax Credit Auction Timeline



Determining Tax Credit Award Amounts



Determining Tax Credit Award Amounts


Example: \$10 million available

	Bidder	Offer Price	Face Value	Total Purchase Offer	Tax Credits Awarded
Above clearing price	A	\$0.95	\$4,000,000	\$3,800,000	\$4,000,000
	B	\$0.93	\$3,000,000	\$2,790,000	\$3,000,000
	C	\$0.93	\$1,000,000	\$930,000	\$1,000,000
At clearing price	D	\$0.90	\$3,000,000	\$2,700,000	\$1,500,000
	E	\$0.90	\$1,000,000	\$900,000	\$500,000
Below clearing price	F	\$0.85	\$3,000,000	\$2,550,000	\$0
TOTAL			\$15,000,000	\$13,670,000	\$10,000,000

To learn more about the Food Desert Relief Tax Credit Auction:

 Visit <https://www.njeda.gov/food-desert-relief-tax-credit-auction/> for resources

- Frequently Asked Questions (regularly updated)
 - Detailed overview of the auction process
 - Application checklist
 - Sample application
 - Tax credit purchase agreement template
-

 Email FDRTCAuction@njeda.gov with questions

- FAQ will be updated on a rolling basis with answers to submitted questions
- Questions will be accepted until 14 days before the application opens, with final FAQ posted at least 7 days before the application opens
