

The Industrial and Commercial Incentive Program (ICIP) sunsets on June 30, 2008, and it is being replaced by the Industrial and Commercial Abatement Program (ICAP). The way that the program sunset under the expiring law, it would have divided projects which were approved for ICIP if work was performed pursuant to permits issued after July 31, 2008. The transition bill makes it clear which construction work will qualify for ICIP benefits in the case of projects for which application was made under ICIP, but for which, as of the sunset date of ICIP, some, but not all, of the necessary building permits had been issued.

Old ICIP Law

Applications for ICIP benefits must be filed on or before June 30, 2008. The old law allowed benefits only for construction work performed pursuant to a building permit issued on or before July 31, 2008.

Under the Transition Bill

Eligibility:

If the applicant applied for ICIP benefits no later than June 30, 2008, and if the applicant received a building permit for construction of the project, or a demolition permit, no later than July 31, 2008, then the project can receive benefits for construction performed pursuant to building permits issued after July 31, 2008.

Deadline for Completion of Construction:

Construction work performed pursuant to a building permit issued after July 31, 2008 must be **completed prior to December 31, 2013**. Benefits will not be granted for any such construction work performed after December 31, 2013. Inflation protection for equalization increases that had been available under ICIP law to any portion of the construction of the project will not be granted after the taxable status date for fiscal year 2014/15, which is January 5, 2014.

There is an exception to the above completion deadline, because the ICIP law already had a completion deadline for any construction work in the “new construction” exemption area in Manhattan. The requirement in the ICIP law that such work be completed no later than 42 months after the effective date of the certificate of eligibility will continue to apply. If any applicant performing such construction work fails to meet the completion deadline, the applicant will be ineligible for ICIP benefits for such construction work.

When Construction is Deemed Completed:

For purposes of determining whether the completion deadline has been met, construction work will be deemed completed when a temporary or final certificate of occupancy is issued by the Department of Buildings or, if such work does not require the issuance of a temporary or final certificate of occupancy, construction work will be deemed completed at the time the applicant and the applicant's engineer submit an affidavit to the Department of Finance certifying completion. This definition of completion of construction applies only for this specific purpose.