

# Legislation Expands and Enhances NJ Aspire Program

## Details of New Legislation

On January 23, 2025, New Jersey Governor Murphy signed into law significant changes to the NJ Aspire Program. These changes are intended to stimulate redevelopment projects across the state.

## NJ Aspire Program Summary

The NJ Aspire Program is administered by the New Jersey Economic Development Authority (NJEDA) and offers tax credits to support commercial, mixed-use, and residential real estate development projects in designated incentive areas. The program aims to encourage investment in areas where traditional financing falls short by providing transferable state tax credits to close project financing gaps.

## Key Modifications

- **Expansion of Government Restricted Municipalities (GRMs):** Atlantic City, Paterson, and Trenton were previously designated as GRMs. The legislation adds Camden, East Orange, and New Brunswick as newly designated GRMs, allowing these communities to also benefit from enhanced tax incentives and streamlined requirements.
- **Increased Tax Credit Values:** Projects in original GRMs can now receive up to 85% of eligible project costs up to \$120 million in tax credits, up from 80%. New GRMs can receive up to 80% of eligible project costs up to \$120 million.
- **Accelerated Payout Schedule:** GRM projects now have a 5-year incentive payout schedule, compared to 10 years for non-GRM projects.
- **Inclusion of Acquisition Costs:** GRM projects can now include building and land acquisition costs (up to 20% of eligible costs) as part of eligible expenses.
- **Reduced Project Size Requirements:** Minimum project size in GRMs is reduced from 100,000 s.f. to 25,000 s.f.
- **State Purchase of Tax Credits:** The New Jersey Division of Taxation may now purchase unused tax credits for at least 85% of their value.

This applies to applications submitted after January 23, 2025.

## Approval Process

To be considered, an application must be submitted to the NJEDA demonstrating a project's financial infeasibility without the incentive. Additionally, the program requires a project to meet specific cost thresholds based on its location. The NJEDA will evaluate an application based on economic impact, project viability, and alignment with the State's development goals.

## Recommended Action

These significant amendments to the NJ Aspire Program expand access to tax incentives for a wider range of development projects. Navigating these complex and discretionary programs can be a challenge. The experts at Atlas Insight specialize in providing guidance through incentive program applications, approvals, and compliance processes.

Please contact **Brian Corde at (732) 410-4568 / [bcorde@atlasinsight.com](mailto:bcorde@atlasinsight.com)** to find out if your project may be eligible. Learn more about our dedicated Site Selection and Incentives specialties at [www.atlasinsight.com](http://www.atlasinsight.com).