

Next NJ Manufacturing Program Creates \$500M in Tax Credits

Details of New Legislation

On August 13, 2025, Governor Phil Murphy signed A5687/S4407 into law, establishing the Next New Jersey Manufacturing Program. Administered by the New Jersey Economic Development Authority (NJEDA), this initiative allocates \$500 million in transferable tax credits to drive manufacturing investment, boost clean energy production, and support high-quality job creation across the state.

Next NJ Manufacturing Program Summary

The program offers formula-based, performance-driven tax credits to eligible manufacturers creating significant capital investment and jobs in New Jersey. Credits may be used against the Corporation Business Tax, Insurance Companies Taxes, and Retailer's Insurance Tax, and are transferable, allowing companies to sell unused credits for a minimum of 85% of face value.

Key Highlights

- **Eligible Industries:** Advanced manufacturing, non-retail food & beverage, defense, clean energy (e.g., solar, geothermal, green hydrogen, nuclear), and life sciences.
- **Clean Energy Set-Aside:** \$100 million reserved for clean energy product manufacturers during the program's first two years for clean energy product manufacturers. Unused funds roll into the general pool after year two.
- **Job & Wage Requirements:** Projects must create at minimum of 20 new full-time jobs that pay a median salary of at least 120% of the county median wage for manufacturing employees. All new positions must be offered health benefits. Applicants are required to maintain jobs & facility in NJ for 10 years.
- **Capital Investment Threshold:** Projects must create a minimum of \$10 million in capital investment (made, acquired, or leased) at a qualified business facility.
- **Credit Value:** The credit award is the lesser of 0.1% of capital investment multiplied against the number of new full-time jobs up to 25% of the total qualified investment, with a credit cap of \$150 million. Credits are issued over a 5-year eligibility period, with unused amounts carried forward up to 10 years.
- **Bonus Credits:** NJEDA may grant up to 5% additional credits for projects in Opportunity Zones, those with NJ business certifications (e.g., Minority Business Enterprise, Women-Owned Business Enterprise, etc.), businesses with collective bargaining agreements, or projects tied to targeted supply chains.

Approval Process & Recommended Action

The Next NJ Manufacturing Program is a highly competitive, discretionary incentive, meaning meeting minimum requirements does not guarantee an award. Applications must be submitted to the NJEDA before incurring project expenses, with applications accepted on a rolling basis through March 1, 2029, or until available funds are exhausted. Applications will follow the standard economic development incentive process, including application review, formal approval, and contract execution. Tax credits are issued only after certification that commitments have been met, with ongoing reporting and monitoring throughout the five-year credit period.

Due to limited funding, and the competitive and discretionary nature of the program, manufacturers planning at least \$10 million in investment with high-wage job creation should assess eligibility early. Atlas Insight will assist with program evaluation, application preparation, and compliance after an award to ensure each client will capture the full benefit of this new incentive.

Please contact **Brian Corde** at (732) 410-4568 / bcorde@atlasinsight.com to find out if your project might be a good fit for this valuable new incentive. Learn more about our dedicated Site Selection and Incentives expertise at www.atlasinsight.com.