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New Jersey Tax Incentive Task Force Is On The Trail of Companies Suspected of Fraudulently Receiving EDA Tax Benefits

Legal Alert

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On January 24, 2019, Governor Phil Murphy signed an executive order creating a Tax Incentives Task Force to investigate fraud and loopholes in New Jersey's existing tax incentives system and to address monitoring and oversight. This Task Force was authorized after an audit by the state comptroller found "deficient" oversight by the New Jersey Economic Development Authority, which oversaw the $11 billion incentive programs.

On March 28, 2019, the Task Force learned that Jackson Hewitt, the tax preparation firm, first threatened to leave the state and take jobs out of New Jersey to get a $2.8 million state grant and then falsely claimed it was considering moving out of state in order to receive an additional $2.67 million state grant. It had received these grants while it had already committed to relocate to Jersey City.

It has also been disclosed that one company agreed to return $1.5 million in tax credits and the Task Force has collected relevant documents from 100 companies and 20 lobbying firms or consultants.

If your company might be concerned that the State could interpret or misinterpret its actions as noncompliant with any of the tax incentive programs overseen by the Economic Development Authority, then we are available to guide you through this process.

Lauren N. Schwimmer is an associate in Flaster Greenberg's Business & Corporate and Aviation Law Departments representing corporations, airports, individuals and financial institutions in a wide variety of matters.

ATTORNEYS MENTIONED

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