



MEMO OF SUPPORT

S10270 (Skoufis) / A1056 (Rivera)

Ends IDA tax incentives for retail in “highly distressed areas”

June 2, 2026

TITLE OF BILL

An act to amend the general municipal law, in relation to financial assistance from an industrial development agency [IDA]; and to repeal certain provisions of such law relating thereto.

STATEMENT OF SUPPORT

Reinvent Albany strongly supports this bill because it ends a wasteful economic development policy.

Retail companies are prohibited from receiving tax incentives under New York State law, but one exception allows them to receive tax breaks if they are located in a “highly distressed area.” Despite good intentions, the practice of targeting distressed neighborhoods has failed for years because, as scholar Tim Bartik has pointed out, [most policies are far too broad](#): They provide too many incentives to too many neighborhoods without targeting the places where incentives would be most effective. As a result, New York bleeds money to giant corporations while the areas most in need get nothing.

It’s time to end this wasteful carve-out. We urge the Legislature to pass the bill.

SUMMARY OF PROVISIONS

Section 1 repeals General Municipal Law §854(18), which defines “highly distressed area.”

Section 2 amends §862(2)(b) to remove the exemption that allows retail companies in “highly distressed areas” to receive tax incentives.

Section 3 states that the bill takes effect immediately.