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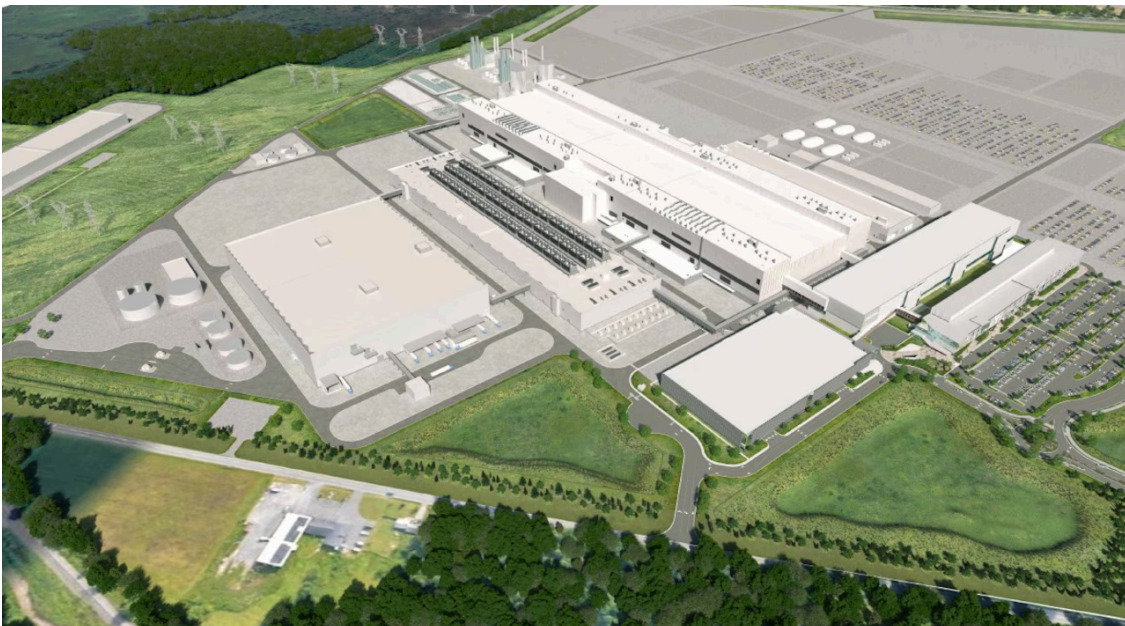
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MICRON

Micron's tax deal in Clay would save chipmaker \$2 billion in local and NY taxes

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Rendering shows the first phase of Micron Technology Inc.'s planned semiconductor plant off Route 31 in Clay. (Micron Technology) Micron Technology



By **Rick Moriarty** | rmoriarty@syracuse.com

Syracuse, N.Y. – Micron Technology and Onondaga County are moving forward with a deal that will save the company \$2 billion in local and state taxes on a giant semiconductor plant planned for the Syracuse suburb of Clay.

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The county's Industrial Development Agency voted today to authorize a public hearing on the tax deal known as a payment-in-lieu-of-tax agreement, or PILOT.

Under the agreement, the county would give Micron a \$2 billion tax break over 49 years on the first half of the \$100 billion project at White Pine Commerce Park on Route 31. The state of New York negotiated the terms three years ago when it recruited Micron to build in Clay.

Most of the \$2 billion in savings for Micron would come in the form of an exemption from state and county sales taxes on construction materials. That exemption alone would be worth \$1.76 billion.

The rest would consist of \$283.9 million in school and property tax savings for the Idaho-based company.

Micron would pay \$84.5 million in school and property taxes over 49 years. Without the tax deal, that tax bill would come to \$368.4 million during the same period.

It means the North Syracuse school district would be paid a total of \$63.4 million over 49 years. That's a school tax payment of \$1.3 million, on average, a year.

Micron made \$8.54 billion in profits in its fiscal 2025 year, which ended Aug. 28.

The tax deal is the largest in the county's history. But the Micron project is the largest in the history of the county and the state.

County Executive Ryan McMahon defended the lucrative tax deal three years ago, when Micron first announced it picked Syracuse as the future home of its semiconductor complex. McMahon said these tax breaks were vital to luring Micron to Central New York, which was competing with communities nationwide for the company's massive investment.

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"It's going to be probably the most aggressive PILOT any company's ever had," McMahon said in October 2022. "And that's necessary to win a project like this. You need to have incentives that compete. Property taxes here are high compared to every other part of the country. You can't put that level of operating costs on the company's shoulders and expect the company to say yes over Texas. You just can't."

Boise-based Micron says it intends to invest \$100 billion over the next 16 years to build a leading-edge semiconductor manufacturing complex in the 1,377-acre industrial park the county has assembled in Clay.

The size of the project is unprecedented in New York and represents one of the largest economic development projects in the nation. Leaders say Micron's arrival will build a tech industry here, bringing more companies and thousands more jobs to the Central New York region.

Micron plans to build four fabrication plants where it will manufacture DRAM, a type of random access memory found in all computers.

Each fab would occupy 1.2 million square feet of land and contain 600,000 square feet of semiconductor cleanroom manufacturing space. And each would be supported by central utility buildings, warehouse space and product testing space.

Micron says the complex, when fully built, will employ 9,000 people directly, with more than 40,000 other jobs created at supply chain and other companies lured to the area by the project.

The tax deal covers the first two fabs. A second PILOT would be signed when the second two fabs are built.

As big as the county tax breaks are, they are a small portion of the government assistance Micron is receiving for the project.

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Micron is slated to receive \$22.6 billion in federal and state funding, according to its application with the industrial development agency. The list includes \$3.4 billion via the U.S. CHIPS and Science Act, \$17 billion in federal investment tax credits and \$2.24 billion from New York's Green Chips Act.

Micron has said it expects to break ground on the first fab at the end of this year.

Here are more details included in the company's application for the tax deal:

Tax payments

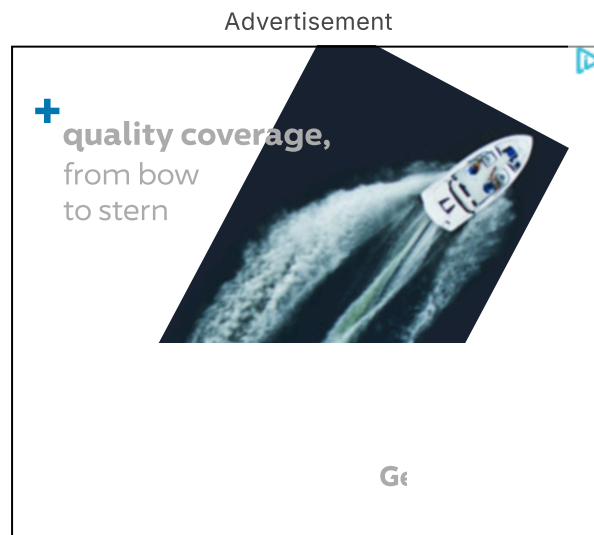
White Pine Commerce Park is entirely in the North Syracuse Central School District, and that district would receive the bulk of property tax payments from Micron during the 49-year term of the agreement.

The school district would be paid a total of \$63.4 million, or \$1.3 million a year. (The amount Micron would pay to the school district without the tax deal wasn't immediately available.)

Micron would pay Onondaga County \$13.9 million in total, or \$283,061 a year, in property taxes. In addition, the company would pay the county's industrial development agency \$30 million for the land it will need at White Pine for the first two fabs.

The town of Clay would receive \$7.3 million, or \$148,576 a year.

The sales tax savings of \$1.76 billion represents an exemption from the county's 4% sales tax and the state's 4% sales tax. Sales tax exemptions on construction materials are a common benefit offered by industrial development agencies.



Project cost

Micron pegs the cost of building the first two fabs at \$51.5 billion. That breaks down this way:

- Building construction: \$25 billion
- Equipment: \$25 billion
- Soft costs: \$1.4 billion
- Site work: \$50 million

- Land acquisition: \$30 million
- Furniture and fixtures: \$20 million

Jobs and pay

Micron says the first two fabs will create 4,514 permanent jobs starting in 2026 and ramping up through 2035.

Here's the breakdown of the jobs and their projected annual pay:

- Managers and executive (120): \$176,109
- Manufacturing support (634): \$164,184
- Engineers (2,402): \$100,573
- Technicians (1,358): \$72,778

Construction timetable

Micron, the only U.S. manufacturer of DRAM, estimates the first two fabs will be operational by 2030 and the second by 2033. The remaining two fabs are estimated to be producing memory chips by 2037 (Fab 3) and 2041 (Fab 4).

The manufacturing facility would ramp up to full production by 2045, according to Micron.

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Sales projections

Micron says its planned U.S. investments, which include the Clay plant and a smaller plant at its headquarters in Boise, will increase the percentage of DRAM manufactured in the U.S. from 1% to 12%.

The capacity at Micron’s first two fabs in Clay will be enough to supply the most critical needs of the U.S. market, including applications in military equipment, cybersecurity technology, the aerospace industry, artificial intelligence and more common areas of the domestic consumer economy, according to the company.

Railroad spur

Micron says it will spend \$51.6 million to build a rail spur off Caughdenoy Road to carry aggregate for the construction of the chip complex.

It has asked the county industrial development agency for \$3.6 million in tax breaks for the rail spur, consisting of \$3.2 million in sales tax exemptions and \$394,310 in property tax discounts over 10 years.

The company would pay \$730,877 in property taxes on the rail spur over 10 years instead of the \$1.1 million it would have to pay without the tax deal.

READ MORE ABOUT MICRON TECHNOLOGY IN CLAY

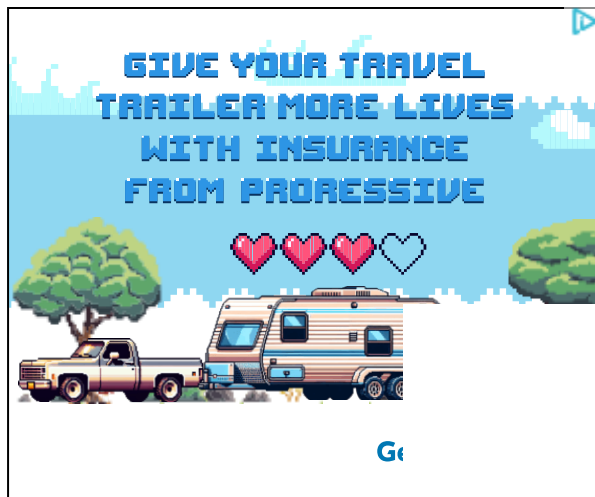
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