

# ***Presentation to UB Faculty Senate***

Tuesday, March 4, 2014

## ***“The New Tax-Free Program for Businesses: Introducing Start-Up NY”***

**STARTUPNY**

### **Presenters:**

**Marnie LaVigne, Ph.D. Associate Vice President - Office of Economic Development**

**Karen Utz Director, Program Administration - Office of Economic Development**

The logo for STARTUP NY is displayed in a white rectangular box. The word "STARTUP" is in dark blue, and "NY" is also in dark blue. The letter "U" is a large, yellow upward-pointing arrow. The letter "P" is yellow and contains a dark blue silhouette of the state of New York.

**STARTUP NY**

***Tax-Free Zones for Business  
Growing the Economy for New York***

# START-UP NY

- Creates tax-free zones for new and expanding businesses throughout NYS.
- Entrepreneurial initiative for companies creating jobs in association with academic institutions statewide.





## ***Job creation:***

- **START-UP NY** provides new and expanding businesses the opportunity to operate completely tax-free

## ***Tax-Free Areas:***

- **10 Years** - No state income tax for employees, no sales, property or business tax for corporation



## ***Employee Personal Income Tax (PIT) Benefits***

- **Allocated to first 10,000 “net new job” employees annually in START-UP NY areas**
- **Unallocated amount rolled over to next year**
- **Firms accountable for job commitments made in application**



## *What are the Other Benefits to Businesses?*

### **Access to:**

- **World-class NYS higher education system**
- **Largest public research system in the world**
- **State-of-the-art technology**
- **Industry experts**



## ***What are the Benefits to SUNY, CUNY, Private and Independent Colleges?***

- Faculty and student access to real-world, cutting edge business experience
- Economic benefits
- Elevate campus brand

## ***Who Is Eligible?***

***START-UP NY\**** is an acronym for:

**“SUNY Tax-free Areas to Revitalize and Transform UPstate New York”**

**Business must create jobs and meet one additional criteria:**

- **Start-up company**
- **Out-of-state business relocating to NYS**
- **Existing NYS business with expansion plans**
- **Graduates of NYS Incubators**

**\*Program emphasis on job creation in upstate New York.**



# *Ineligible Businesses*

- Retail and wholesale
- Restaurants
- Real estate brokers and management
- Law firms
- Medical or dental practices
- Hospitality
- Finance and financial services
- Business providing personal, administrative or support services
- Accounting firms
- Utilities and Energy distribution companies

# *Affiliation*

- **The mission and activities of the business must align with or further the academic mission of UB**
  - ✓ **Funding scholarships, facilities, or other academic services or amenities;**
  - ✓ **Offering internships, experiential learning opportunities, or full-time jobs to school graduates;**
  - ✓ **Teaching a course, offering seminars, or providing student mentoring;**
  - ✓ **Using company resources, intellectual property or expertise to support the academic mission.**

# *Annual Verification and Required Reporting*

- Each business must submit an annual performance and verification report within 30 days at the end of its taxable year, identifying:
  - ✓ Certification of continued eligibility
  - ✓ Number of net new jobs created
  - ✓ Number of net new jobs maintained from previous calendar year
  - ✓ Wages paid to employees employed in the net new jobs created in the Tax-Free NY Area

# ***Accountability***

**In case of default or fraud:**

- **University can recommend that business be removed from Program; or**
- **Commissioner can end business' participation**
- **Business has right to appeal the termination**

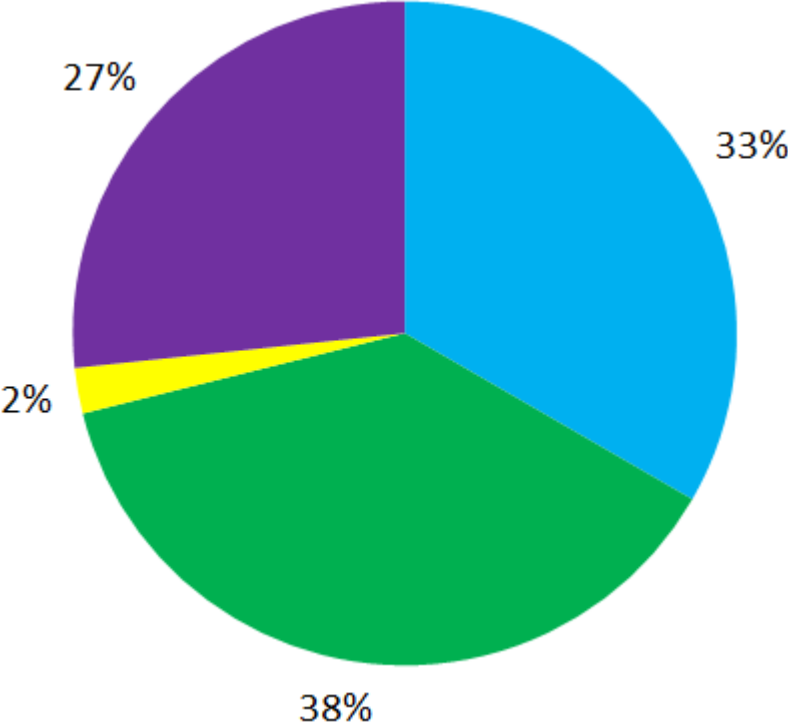


# *Our Start-Up NY Approach*

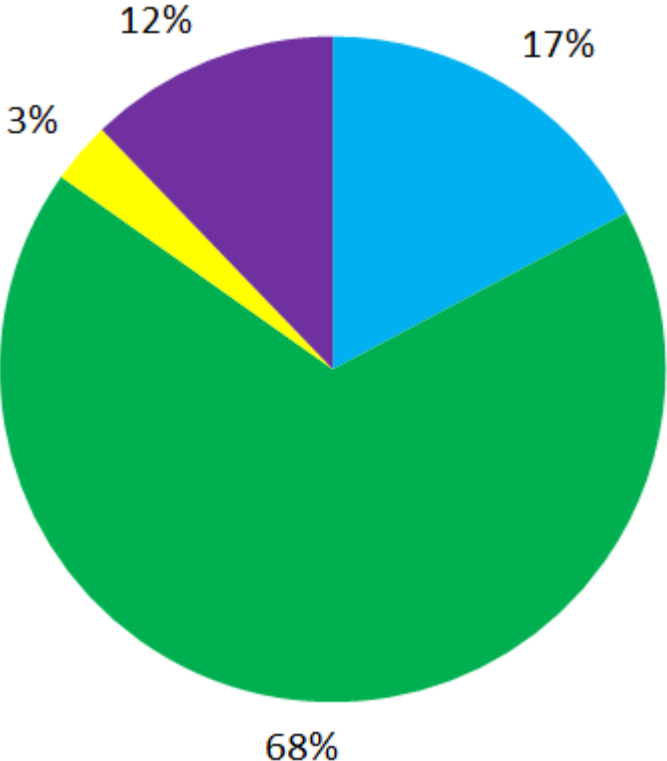
- Process development
- Initial efforts vs. Long-term strategy & plan
- Property selection
- Company type, size, job creation targets
- Company affiliation definition

# Potential Impacts by Start-Up NY Type

ENGAGED COMPANIES BY TYPE

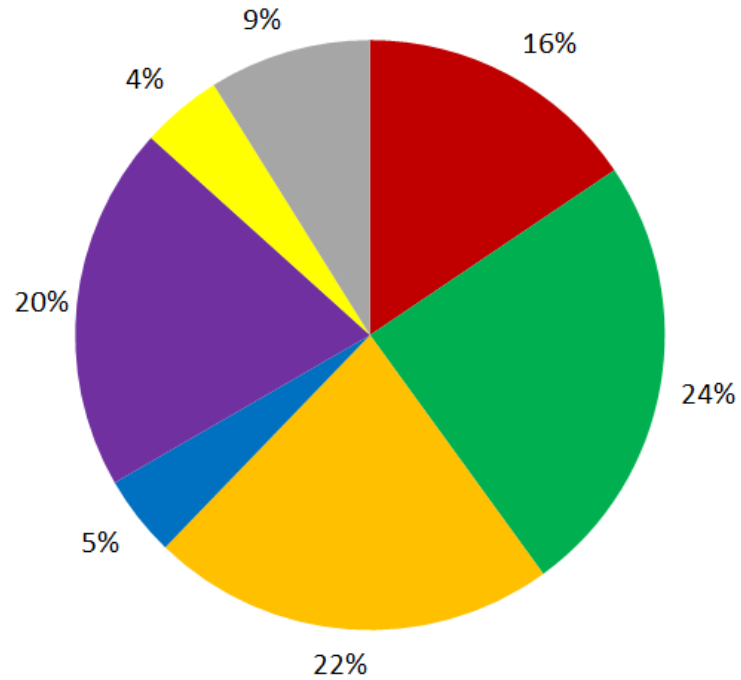


NEW JOBS FORECAST BY TYPE

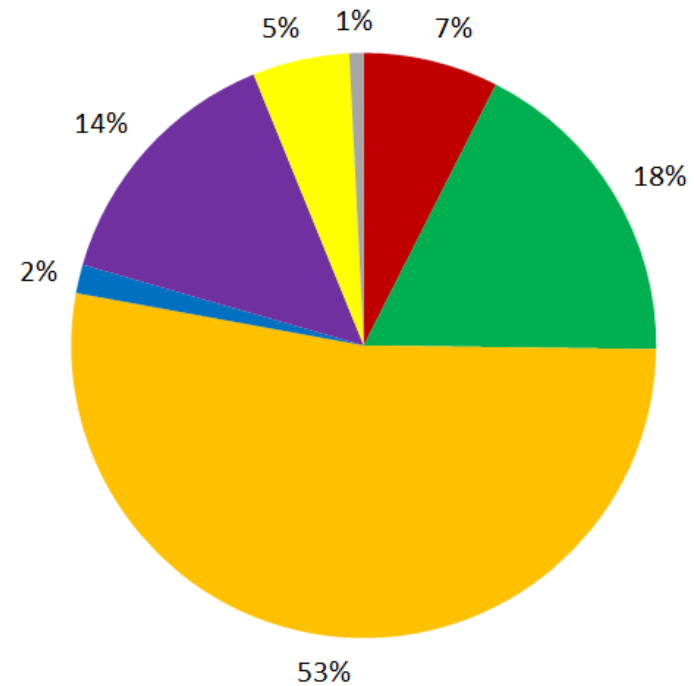


# Potential Impacts by Economic Sector

## Potential Companies by Economic Sector



## Potential Jobs by Economic Sector



TYPE



Manufacturing-Chemical/Bio



Manufacturing-Materials/Machinery/Devices



IT



Finance



R&D

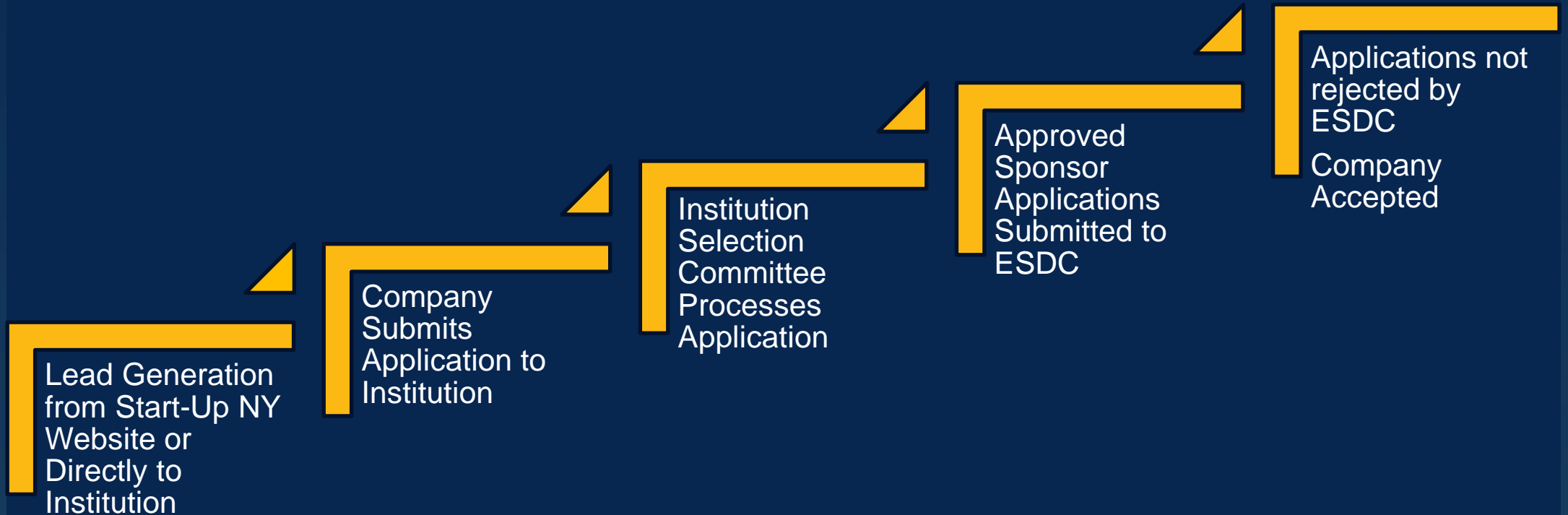


Diagnostic Testing



Other

# *UB's Start-Up NY Business Application Process*





# *Application Process: [www.startup-ny.com](http://www.startup-ny.com)*

- **Business application:**

- ✓ Business information such as location, phone #, FEIN, website, NAICS code (to 6 digits)
- ✓ Description of business and factors driving its planned growth and expansion
- ✓ Employment information, including Performance Benchmarks, esp. new job goals
- ✓ Business strategy for recruiting employees from local workforce
- ✓ How business aligns with Academic Mission
- ✓ Planned capital investments
- ✓ Identification of business competitors, if any
- ✓ Agreement to enumerated contractual terms

Eligible businesses must submit a complete application **on or before December 31, 2020**

# *Company Examples*

## **Sinapis Pharma LLC –**

**Developing drug for treatment of Traumatic Brain Injury**  
**New faculty researcher relocating from Montana**  
**Forecast 7 net new jobs**  
**Alignment with CTRC**

## **Lineagen, Inc -**

**Expansion of Utah company into WNY**  
**Diagnostic testing associated with autism spectrum and other developmental delays**  
**Forecast 17 net new jobs**  
**Alignment with Genomics Initiative**

## **Nupur Technologies, LLC –**

**New start-up company utilizing UB technology**  
**A developer of an ear cerumen cleaning device for use by physicians**  
**Forecast 43 net new jobs**  
**Alignment with Engineering, use of interns, hire graduates**



## *Connect*

Application, regulations, etc.:

[www.startup-ny.com](http://www.startup-ny.com)

SUNY Buffalo Contact: Karen Utz

Call 716-881-7588

Email: [kmutz@buffalo.edu](mailto:kmutz@buffalo.edu)

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