



NEW YORK STATE SENATOR

Thomas K. Duane

## Announcement of Bill that would Allow \$3 Million Biotech Tax Credit for New York City

THOMAS K. DUANE May 14, 2009



Senator Duane and Assembly Member Weprin Join Speaker Quinn to Announce \$3 Million Biotech Tax Credit to Encourage Hundreds of High Tech Jobs

CITY HALL – City Council Speaker Christine C. Quinn, State Assembly Member Mark Weprin and State Senator Thomas Duane, today announced the introduction of legislation in Albany that will allow New York City to move forward with a \$3 million biotech tax credit. The tax credit, announced in Speaker Quinn’s State of the City Address in February, will encourage

small biotech companies to bring their jobs, innovation and new technology to New York City.

Speaker Quinn was joined by Council Member Jessica Lappin, Dr. Eva Cramer of the Downstate Advanced Biotechnology Incubator and Dr. Sharon Mates of the New York Biotechnology Association (NYBA).

With 9 world class research institutions, 26 medical centers, 175 hospitals, and an unparalleled talent pool, New York City has a natural advantage in the bioscience industry. Yet it lags behind other cities, such as Boston and San Diego, in commercialization of new technologies.

The tax credit is designed to work with New York State's Qualified Emerging Technologies Credit (QETC). Firms will be provided with a refundable credit for facilities, operations and training. The credit is limited to small firms engaged in research and development that meet New York State standards as qualified emerging technology companies.

Qualified companies will be eligible for the credit for up to 4 years. The credit will help a young firm equip a lab, train technicians and fund access to high tech equipment. The allowable expenses and the credit based on those expenses will be the same as for the New York State credit for businesses that increase their employment by at least 5 percent, compared to a base year. Those that do not grow will still be eligible for the credit but at half the rate.

"In these difficult economic times, the City needs to encourage the growth of diverse and emerging industries in an effort to create new jobs," said Speaker Christine C. Quinn. "When you consider the wealth of resources at our disposal – research facilities, medical centers and

a tremendously diverse talent pool – the real question is: why aren't we at the front of this field already? Enacting this tax credit will begin our City's effort to lead the way when it comes to emerging bio-technologies.”

Additionally, the credit will compliment recent City investments in the East River Science Park and BioBAT at the Brooklyn Army Terminal and other smaller spaces, which provide two million square feet of laboratory space for biotechnology firms.

The credit will be capped at \$3 million per year. The bill is sponsored by in the Senate by Senator Tom Duane (S. 4845) and in the Assembly by Assembly Member Mark Weprin (A. 8131).

“The biotechnology tax credit is an effective economic development tool that will harness our unparalleled human intelligence and ingenuity and support the outstanding research and medical facilities that we already have here in New York City,” said Senator Thomas K. Duane. “And every time a biotechnology company comes to New York, we gain more than just jobs. We enhance our diverse and highly-educated workforce, we hone our reputation as a center for cutting-edge technology, and we reap the economic benefits of an industry on the rise. This is a win for New York.”

“This tax credit will spur growth in an exciting, new industry that has tremendous potential,” said Assembly Member Mark S. Weprin, Chair of the New York State Assembly Committee on Small Business. “There is no reason New York cannot be a dynamic center for biotechnology companies.”

“We need to make sure that New York is positioned as a leader in the innovation economy,” said Council Member Jessica Lappin. “This credit will help small companies create new jobs

in an emerging industry. By fostering that growth, we are helping to ensure New York City's place at the forefront of the biotech field now and into the future."

"The bio-tech industry is an untapped resource in New York City," said Dr. Sharon Mates of NYBA. "The more we can incentivize these businesses and work with our partners in government, the more we can expand our horizons and create well-paying jobs in the process."

"Tax incentives give companies the opportunity to accelerate their commercialization efforts by taking advantage of the financial and human resources that exist in this economy," Dr. Eva Cramer, President of the Downstate Technology Center, Inc. "And the economic downturn gives biotech companies the opportunity to attract talented employees – and the proposed tax credits will help us be able to make those hires."

"The Council biotech tax credit sends a signal to entrepreneurs and investors that New York City is committed to a more diverse economy with a stronger life sciences industry," said Kathryn Wylde, President of the Partnership for New York City, the city's largest business organization.

To access the State legislation, go to:

Assembly: <http://www.assembly.state.ny.us/leg/?bn=A08131>

Senate: <http://www.assembly.state.ny.us/leg/?bn=S04845>

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