



NEW YORK STATE SENATOR

Thomas K. Duane

Announcing \$3 Million NYC Biotech Tax Credit Cleared by Senate

THOMAS K. DUANE July 22, 2009

Senator Duane, Speaker Quinn, Assembly Member Weprin,

And Council Members Lappin and Garodnick

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Will Foster Hundreds of High Tech Jobs in New York City

(Albany, NY) – – New York State Senator Thomas K. Duane announced today that among the many important bills passed by the Senate last week was his legislation enabling New York City to move forward with a \$3 million biotech tax credit that will encourage biotechnology firms to bring their jobs, innovation, and emerging technologies to the City. The bill (S.4845-B/A.8131), which had already passed in the New York State Assembly, is expected to be signed into law by Governor David Paterson.

The tax credit was announced by New York City Council Speaker Christine Quinn in her 2009 State of the City Address and is expected to significantly boost New York City's standing as a center for innovative biotechnology companies and projects. New York City has a natural advantage in the bioscience industry, yet it has lagged behind other cities, such as Boston and San Diego, in the commercialization of these technologies.

"I am very pleased that the Senate authorized New York City to implement this incentive program so we can begin in earnest to attract the biotechnology businesses that will drive our economy forward," **said Senator Duane.** "This is about more than just jobs for our economy. As we diversify as a business center and enhance the life sciences sector in particular, we are branding New York City as a home for cutting-edge technology. This is a positive step for this city and a bright spot for companies that want to come to New York."

"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 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. I want to thank both the

Assembly and Senate for their work, and I urge Governor Paterson to sign the bill into law.”

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

Senator Duane said the promise of the biotech sector in New York City is illustrated by the East River Science Park (ESRP), a \$700 million bioscience complex being built in his district along First Avenue between 28th and 30th Streets. On Wednesday, ESRP announced its first signed tenant, biotechnology company ImClone Systems, which is owned by Eli Lilly. The City’s new biotech tax credit, in tandem with State tax incentives and broad-based government investment in diversifying the local economy, will bring more such companies to ESRP and sites across the five boroughs.

“This tax credit will help draw the best talents in this burgeoning field to New York City. Supporting the biotech industry will not only boost our economy, but it could also help us find the vaccine for AIDS or the cure for Parkinson's or the cure for cancer,” **said Council Member Jessica Lappin**, lead sponsor of the bill in the City Council.

“New York City is now poised to become a world-class center for biotech research,” **said Council Member Dan Garodnick**, who represents the area including the East River Science Park. “What makes this tax credit even more valuable is that it will also benefit the legal, accounting and marketing firms here whose expertise is needed to bring a discovery out of the laboratory and into the marketplace.”

The new tax credit, designed to work with New York State’s Qualified Emerging Technologies Credit (QETC), will be capped at \$3 million per year and will go into effect for three years beginning in January 2010. The credit will help emerging firms equip labs, train technicians, and fund access to high tech equipment. Funding will be focused mostly on growing firms, with the maximum amount of \$250,000 per year given to eligible firms that increase their employment by at least 5 percent as compared to a base year. Growth below that threshold means firms would be eligible for half of the total credit amount. If credits in a given year exceed the cap they will be allocated on a prorated basis by the New York City Department of Finance.

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