



NEW YORK STATE SENATOR

John A. DeFrancisco

## Senate Passes Legislation Establishing Angel Tax Credit for Small Businesses

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Senator John A. DeFrancisco announced on June, 18, 2012, that legislation he sponsored (S6837-2011), creating an angel tax credit for investors who invest in certified startup business enterprises, passed the Senate.

The bill authorizes the Commissioner of Economic Development to certify Startup Business Enterprises (SBE) in targeted industries and technologies and allocates \$7 million in Angel Tax Credits each year. The minimum investment is \$100,000 and is capped at \$1 million per individual small business.

“Small businesses in New York are at a disadvantage to those located in other states which offer economic development programs and tax credits supporting business development,” said Senator DeFrancisco. “The Angel Tax Credit provides an incentive for investment to keep New York small businesses growing.”

More than 20 states have implemented programs to attract and retain investment capital using tax credits. The Angel Tax Credit will help create a business-friendly tax environment that promotes private investment within emerging businesses.

“We must focus on reducing taxes, regulations and red tape to help our local businesses thrive and create new high-paying jobs for our workforce,” concluded Senator DeFrancisco. “This tax credit takes a step in the right direction towards a more effective and accountable way to help facilitate job growth and to strengthen and revitalize communities by encouraging businesses to stay in New York State.”

The bill has been sent to the Assembly and is awaiting approval from that body.