S T A T E O F N E W Y O R K

6277

2011-2012 Regular Sessions

I N A S S E M B L Y

March 11, 2011

Introduced by M. of A. KATZ -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to providing a capital gains and investment income tax exemption for resident New Yorkers investing in a New York resident technology or science start-up company

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. The tax law is amended by adding a new section 616-a to read as follows:

S 616-A. NEW YORK TECHNOLOGY AND SCIENCE START-UP INVESTMENT TAX EXEMPTION. (A) ANY CAPITAL GAINS OR INVESTMENT INCOME, AS DEFINED IN SECTION TWO HUNDRED EIGHT OF THIS CHAPTER, IMPUTED TO A NEW YORK STATE RESIDENT AS A RESULT OF INVESTMENTS MADE IN A TECHNOLOGY OR SCIENCE COMPANY SHALL NOT BE TAXABLE UNDER THIS ARTICLE PROVIDED THE FOLLOWING:

(1) THE TECHNOLOGY OR SCIENCE COMPANY IS A START-UP COMPANY THAT HAS BEEN IN OPERATION NOT EXCEEDING THREE YEARS; AND

(2) THE TECHNOLOGY OR SCIENCE COMPANY IS A RESIDENT OF NEW YORK STATE AND TRANSACTS BUSINESS IN NEW YORK STATE; AND

(3) THE TAXPAYER FILING THE INCOME TAX RETURN IS ALSO A RESIDENT OF NEW YORK STATE.

(B) FOR THE PURPOSES OF THIS SECTION THE TERM TECHNOLOGY OR SCIENCE COMPANY SHALL INCLUDE, BUT NOT BE LIMITED TO COMPANIES WORKING TO ADVANCE INDUSTRY BASED IN BIOLOGY, CHEMISTRY, COMPUTER SCIENCE, GEOLOGY, INFORMATION SCIENCE AND TECHNOLOGY, MATHEMATICS, PHYSICS, BIOCHEMISTRY, BIOPHYSICS, ENVIRONMENTAL SCIENCE, MATHEMATICS, NATURAL SCIENCE, NEUROSCIENCE - CELLULAR AND MOLECULAR, AND NANOSCIENCE.

S 2. This act shall take effect immediately and shall only apply to tax returns filed after such effective date.

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

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