

628

2015-2016 Regular Sessions

I N A S S E M B L Y

(PREFILED)

January 7, 2015

Introduced by M. of A. LENTOL -- read once and referred to the Committee on Higher Education

AN ACT to amend the education law and the tax law, in relation to establishing the New York entrepreneur program act

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

1 Section 1. Short title. This act shall be known and may be cited as
2 the "New York entrepreneur program act".

3 S 2. Article 5 of the education law is amended by adding a new part
4 2-A to read as follows:

5 PART II-A

6 NEW YORK ENTREPRENEUR PROGRAM ACT

7 SECTION 286. NEW YORK ENTREPRENEUR PROGRAM ESTABLISHED; DEFINITIONS.

8 286-A. OVERSIGHT.

9 286-B. LOAN DEFERRALS AND JOB CREATION.

10 286-C. TAX CREDIT FOR SUPPORTING BUSINESSES.

11 S 286. NEW YORK ENTREPRENEUR PROGRAM ESTABLISHED; DEFINITIONS. 1.
12 THERE IS HEREBY ESTABLISHED A NEW YORK ENTREPRENEUR PROGRAM UNDER THE
13 PURVIEW OF THE REGENTS AND THE BOARD FOR ANY STARTUP BUSINESS LOCATED AT
14 ANY OF THE CITY UNIVERSITY OF NEW YORK'S COMMUNITY COLLEGES. SUCH
15 PROGRAM SHALL PROVIDE ACCESS TO TECHNOLOGY TO A SELECT GROUP OF STARTUP
16 ENTREPRENEURS HELPING THEM CREATE BUSINESSES THAT GROW NEW YORK STATE'S
17 ECONOMY. THE PROGRAM SHALL NOT PROVIDE BUSINESS LOANS TO THE PARTIC-
18 IPANTS.

19 2. FOR THE PURPOSES OF THIS ARTICLE, THE FOLLOWING TERMS SHALL HAVE
20 THE FOLLOWING MEANINGS:

21 (A) "BOARD" SHALL MEAN THE BOARD OF TRUSTEES OF THE CITY UNIVERSITY OF
22 NEW YORK.

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

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1 (B) "PARTICIPANT" SHALL MEAN ANY COLLEGE GRADUATE ACCEPTED TO THE
2 PROGRAM.

3 (C) "PROGRAM" SHALL MEAN THE NEW YORK ENTREPRENEUR PROGRAM ESTABLISHED
4 PURSUANT TO THIS SECTION.

5 (D) "REGENTS" SHALL MEAN THE BOARD OF REGENTS OF THE STATE UNIVERSITY.

6 (E) "SCHOOL" SHALL MEAN ANY COLLEGE WITHIN THE STATE UNIVERSITY OR THE
7 CITY UNIVERSITY OF NEW YORK.

8 (F) "STARTUP BUSINESS" SHALL MEAN AN ENTREPRENEURIAL IDEA SUPPORTED BY
9 A BUSINESS PLAN THAT A POTENTIAL PARTICIPANT PREPARES WHEN APPLYING TO
10 THE PROGRAM.

11 (G) "SUPPORTING BUSINESS" SHALL MEAN ANY PERSON, FIRM, CORPORATION,
12 PARTNERSHIP OR OTHER BUSINESS ENTITY WHICH ASSISTS A STARTUP BUSINESS
13 DURING THE FIVE YEAR PERIOD DURING WHICH SUCH STARTUP BUSINESS IS PART
14 OF THE PROGRAM.

15 3. THE REGENTS SHALL PROMULGATE SUCH RULES AND REGULATIONS AS THEY SEE
16 FIT TO IMPLEMENT THE PROVISIONS OF THIS ARTICLE.

17 S 286-A. OVERSIGHT. 1. (A) THE REGENTS, IN CONSULTATION WITH THE BOARD
18 FOR ANY STARTUP BUSINESS TO BE LOCATED AT ANY OF THE CITY UNIVERSITY OF
19 NEW YORK'S COMMUNITY COLLEGES, SHALL SELECT PARTICIPANTS' STARTUP BUSI-
20 NESSES BASED ON THE QUALITY OF THEIR BUSINESS PROPOSAL, EXPERIENCE AND
21 ABILITY TO OBTAIN OUTSIDE FINANCING.

22 (B) SUCH PROGRAM SHALL ACCEPT A MAXIMUM OF THREE HUNDRED PARTICIPANTS
23 BUT SHALL NOT ACCEPT MORE THAN FIFTY PARTICIPANTS INTO THE PROGRAM IN
24 ANY YEAR.

25 2. IN ADDITION TO THE LOAN DEFERRAL SET FORTH IN SECTION TWO HUNDRED
26 EIGHTY-SIX-B OF THIS ARTICLE, THE REGENTS AND THE BOARD FOR ANY STARTUP
27 BUSINESS LOCATED AT ANY OF THE CITY UNIVERSITY OF NEW YORK'S COMMUNITY
28 COLLEGES SHALL PROVIDE FOR PARTICIPANTS, DURING THEIR FIVE YEARS OF
29 PARTICIPATION IN THE PROGRAM:

30 (A) FREE HOUSING WITHIN THE LIMITS ESTABLISHED BY THE REGENTS; AND

31 (B) ACCESS TO SCHOOL RESOURCES, INCLUDING, BUT NOT LIMITED TO FACULTY
32 AND TECHNOLOGY.

33 3. (A) THE REGENTS AND THE BOARD FOR ANY STARTUP BUSINESS LOCATED AT
34 ANY OF THE CITY UNIVERSITY OF NEW YORK'S COMMUNITY COLLEGES, AT THE
35 RECOMMENDATION OF A SCHOOL MAY TERMINATE A PARTICIPANT'S OR STARTUP
36 BUSINESS' PARTICIPATION IN THE PROGRAM.

37 (B) THE REGENTS SHALL ESTABLISH AN APPEALS PROCESS FOR TERMINATED
38 PARTICIPANTS AND STARTUP BUSINESSES TO APPEAL SUCH DECISIONS.

39 4. (A) THE PROGRESS OF EACH STARTUP BUSINESS SHALL BE MONITORED BY THE
40 REGENTS, THE SCHOOL AT WHICH THE PARTICIPANTS OPERATING SUCH STARTUP
41 BUSINESS RESIDE, A SCHOOL-AFFILIATED SUPERVISING OFFICER OR PROFESSOR
42 AND THE BOARD FOR ANY STARTUP BUSINESS LOCATED AT ANY OF THE CITY
43 UNIVERSITY OF NEW YORK'S COMMUNITY COLLEGES.

44 (B) THE REGENTS OR THE BOARD FOR ANY STARTUP BUSINESS LOCATED AT ANY
45 OF THE CITY UNIVERSITY OF NEW YORK'S COMMUNITY COLLEGES SHALL COMPENSATE
46 SUCH SCHOOL-AFFILIATED SUPERVISING OFFICERS OR PROFESSORS AND THE
47 REGENTS MAY COMPENSATE OTHER PROFESSORS WHO TAKE TIME TO MENTOR PARTIC-
48 IPANTS UPON THE REQUEST OF A PARTICIPANT.

49 5. THE REGENTS AND THE BOARD FOR ANY STARTUP BUSINESS LOCATED AT ANY
50 OF THE CITY UNIVERSITY OF NEW YORK'S COMMUNITY COLLEGES SHALL MAXIMIZE
51 THE FLEXIBILITY AND MINIMIZE THE BURDENS IMPOSED BY EXTENSIVE PAPERWORK
52 AND FILING PROCEDURES WHILE MAINTAINING THE ACCOUNTABILITY OF STARTUPS
53 AND THE PROGRAM.

54 S 286-B. LOAN DEFERRALS AND JOB CREATION. 1. UPON ENTERING THE
55 PROGRAM, EACH PARTICIPANT WILL BEGIN A FIVE YEAR PERIOD DURING WHICH
56 TIME THE STATE UNIVERSITY, OR THE CITY UNIVERSITY OF NEW YORK FOR ANY

1 STARTUP BUSINESS LOCATED AT ANY OF THE CITY UNIVERSITY OF NEW YORK'S
 2 COMMUNITY COLLEGES, SHALL PAY THE MINIMUM MONTHLY PAYMENT ON ANY STUDENT
 3 LOANS SUCH PARTICIPANT HAS OUTSTANDING UNTIL EITHER (A) THE PARTICIPANT
 4 EXITS THE PROGRAM BEFORE THE END OF SUCH FIVE YEAR PERIOD, OR (B) THE
 5 PARTICIPANT COMPLETES FIVE YEARS IN THE PROGRAM WHEN UPON SUCH TIME HE
 6 OR SHE SHALL BE EVALUATED AGAINST THE JOB CREATION CRITERIA IN SUBDIVI-
 7 SIONS TWO AND THREE OF THIS SECTION.

8 2. AFTER FIVE YEARS, STARTUPS THAT HAVE CREATED A CERTAIN NUMBER OF
 9 JOBS WITHIN NEW YORK STATE SHALL HAVE A MAXIMUM OF THREE PARTICIPANTS'
 10 LOANS FULLY PAID OFF BY THE STATE PURSUANT TO THE SCHEDULE SET FORTH IN
 11 SUBDIVISION THREE OF THIS SECTION.

12 3. NUMBER OF FULL-TIME	PERCENTAGE OF LOAN
13 EMPLOYEES (EXCLUDING	PAID OFF PER YEAR
14 PARTICIPANTS)	
15 3	10%
16 4	15%
17 5	20%
18 6+	25%

19 S 286-C. TAX CREDIT FOR SUPPORTING BUSINESSES. 1. THE COMMISSIONER OF
 20 TAXATION AND FINANCE SHALL GRANT A CREDIT AGAINST ANY TAX DUE UNDER THE
 21 PROVISIONS OF ARTICLES NINE, NINE-A AND TWENTY-TWO OF THE TAX LAW IN AN
 22 AMOUNT EQUAL TO THE AMOUNT SPECIFIED BY THE REGENTS IN ANY TAX CREDIT
 23 VOUCHER ISSUED BY SUCH REGENTS PURSUANT TO SUBDIVISION TWO OF THIS
 24 SECTION.

25 2. THE REGENTS SHALL ESTABLISH A SYSTEM OF TAX CREDIT VOUCHERS FOR
 26 SUPPORTING BUSINESSES ALLOWING THE USE OF EQUIPMENT ESSENTIAL TO THE
 27 FUNCTION OR GROWTH OF ANY STARTUP BUSINESS. SUCH VOUCHERS MAY BE USED AS
 28 A CREDIT AGAINST ANY OF THE TAXES TO WHICH SUCH SUPPORTING BUSINESS IS
 29 SUBJECT AND WHICH ARE ENUMERATED IN SUBDIVISION ONE OF THIS SECTION.
 30 THE AMOUNT OF THE TAX CREDIT VOUCHER SHALL EQUAL THE PRICE TO RENT SUCH
 31 EQUIPMENT.

32 S 3. The tax law is amended by adding a new section 42 to read as
 33 follows:

34 S 42. NEW YORK ENTREPRENEUR PROGRAM CREDIT. (A) GENERAL. A TAXPAYER
 35 SUBJECT TO TAX UNDER ARTICLE NINE, NINE-A OR TWENTY-TWO OF THIS CHAPTER
 36 SHALL BE ALLOWED A CREDIT AGAINST SUCH TAX PURSUANT TO THE PROVISIONS
 37 REFERENCED IN SUBDIVISION (D) OF THIS SECTION. THE CREDIT (OR PRO RATA
 38 SHARE OF EARNED CREDIT IN THE CASE OF A PARTNERSHIP) SHALL EQUAL THE
 39 AMOUNT SPECIFIED BY THE REGENTS PURSUANT TO SECTION TWO HUNDRED EIGHTY-
 40 SIX-C OF THE EDUCATION LAW.

41 (B) DEFINITIONS. FOR THE PURPOSE OF THIS SECTION, THE TERM "STARTUP
 42 BUSINESS" SHALL MEAN AN ENTREPRENEURIAL IDEA SUPPORTED BY A BUSINESS
 43 PLAN THAT A POTENTIAL PARTICIPANT PREPARES WHEN APPLYING TO THE NEW YORK
 44 ENTREPRENEUR PROGRAM ESTABLISHED PURSUANT TO SECTION TWO HUNDRED EIGHT-
 45 Y-SIX OF THE EDUCATION LAW.

46 (C) REPORTING REQUIREMENTS. A TAXPAYER WISHING TO CLAIM A CREDIT UNDER
 47 THIS SECTION SHALL ANNUALLY CERTIFY TO THE COMMISSIONER THE RENTAL VALUE
 48 OF EQUIPMENT USED BY STARTUP BUSINESSES THAT SUCH TAXPAYER SUPPORTED.

49 (D) CROSS-REFERENCES. FOR APPLICATION OF THE CREDIT PROVIDED FOR IN
 50 THIS SECTION, SEE THE FOLLOWING PROVISIONS OF THIS CHAPTER:

- 51 (1) ARTICLE 9: SECTION 187-T.
- 52 (2) ARTICLE 9-A: SECTION 210-B, SUBDIVISION 49.
- 53 (3) ARTICLE 22: SECTION 606, SUBSECTIONS (XLI) AND (CCC).

54 S 4. The tax law is amended by adding a new section 187-t to read as
 55 follows:

1 S 187-T. NEW YORK ENTREPRENEUR PROGRAM CREDIT. A TAXPAYER SHALL BE
 2 ALLOWED A CREDIT TO BE COMPUTED AS PROVIDED IN SECTION FORTY-TWO OF THIS
 3 CHAPTER, AGAINST THE TAX IMPOSED BY THIS ARTICLE. PROVIDED, HOWEVER,
 4 THAT THE AMOUNT OF SUCH CREDIT ALLOWED AGAINST THE TAX IMPOSED BY
 5 SECTION ONE HUNDRED EIGHTY-FOUR OF THIS ARTICLE SHALL BE THE EXCESS OF
 6 THE AMOUNT OF SUCH CREDIT OVER THE AMOUNT OF ANY CREDIT ALLOWED BY THIS
 7 SECTION AGAINST THE TAX IMPOSED BY SECTION ONE HUNDRED EIGHTY-THREE OF
 8 THIS ARTICLE. IN NO EVENT SHALL THE CREDIT UNDER THIS SECTION BE ALLOWED
 9 IN AN AMOUNT WHICH WILL REDUCE THE TAX PAYABLE TO LESS THAN THE APPLICA-
 10 BLE MINIMUM TAX FIXED BY SECTION ONE HUNDRED EIGHTY-THREE OR ONE HUNDRED
 11 EIGHTY-FIVE OF THIS ARTICLE. IF, HOWEVER, THE AMOUNT OF THE CREDIT
 12 ALLOWED UNDER THIS SECTION FOR ANY TAXABLE YEAR REDUCES THE TAX TO SUCH
 13 AMOUNT, THE EXCESS SHALL BE TREATED AS AN OVERPAYMENT OF TAX TO BE CRED-
 14 ITED OR REFUNDED IN ACCORDANCE WITH THE PROVISIONS OF SECTION SIX
 15 HUNDRED EIGHTY-SIX OF THIS CHAPTER. PROVIDED, HOWEVER, THE PROVISIONS OF
 16 SUBSECTION (C) OF SECTION ONE THOUSAND EIGHTY-EIGHT OF THIS CHAPTER
 17 NOTWITHSTANDING, NO INTEREST SHALL BE PAID THEREON.

18 S 5. Section 210-B of the tax law is amended by adding a new subdivi-
 19 sion 49 to read as follows:

20 49. NEW YORK ENTREPRENEUR PROGRAM CREDIT. A TAXPAYER SHALL BE ALLOWED
 21 A CREDIT, TO BE COMPUTED AS PROVIDED IN SECTION FORTY-TWO OF THIS CHAP-
 22 TER, AGAINST THE TAX IMPOSED BY THIS ARTICLE. IN NO EVENT SHALL THE
 23 CREDIT PROVIDED HEREIN BE ALLOWED IN AN AMOUNT WHICH WILL REDUCE THE TAX
 24 PAYABLE TO LESS THAN THE FIXED DOLLAR MINIMUM AMOUNT PRESCRIBED IN PARA-
 25 GRAPH (D) OF SUBDIVISION ONE OF SECTION TWO HUNDRED TEN OF THIS ARTICLE.
 26 HOWEVER, IF THE AMOUNT OF CREDIT ALLOWED UNDER THIS SUBDIVISION FOR ANY
 27 TAXABLE YEAR REDUCES THE TAX TO SUCH AMOUNT, ANY AMOUNT OF CREDIT THUS
 28 NOT DEDUCTIBLE IN SUCH TAXABLE YEAR SHALL BE TREATED AS AN OVERPAYMENT
 29 OF TAX TO BE CREDITED OR REFUNDED IN ACCORDANCE WITH THE PROVISIONS OF
 30 SECTION ONE THOUSAND EIGHTY-SIX OF THIS CHAPTER. PROVIDED, HOWEVER, THE
 31 PROVISIONS OF SUBSECTION (C) OF SECTION ONE THOUSAND EIGHTY-EIGHT OF
 32 THIS CHAPTER NOTWITHSTANDING, NO INTEREST SHALL BE PAID THEREON.

33 S 6. Subparagraph (B) of paragraph 1 of subsection (i) of section 606
 34 of the tax law is amended by adding a new clause (xli) to read as
 35 follows:

36 (XLI) NEW YORK	AMOUNT OF CREDIT UNDER SUBDIVISION
37 ENTREPRENEUR PROGRAM	FORTY-NINE OF SECTION TWO HUNDRED
38 CREDIT UNDER SUBSECTION (CCC)	TEN-B

39 S 7. Section 606 of the tax law is amended by adding a new subsection
 40 (ccc) to read as follows:

41 (CCC) NEW YORK ENTREPRENEUR PROGRAM CREDIT. A TAXPAYER SHALL BE
 42 ALLOWED A CREDIT TO BE COMPUTED AS PROVIDED IN SECTION FORTY-TWO OF THIS
 43 CHAPTER, AGAINST THE TAX IMPOSED BY THIS ARTICLE. IF THE AMOUNT OF THE
 44 CREDIT ALLOWED UNDER THIS SUBSECTION FOR ANY TAXABLE YEAR SHALL EXCEED
 45 THE TAXPAYER'S TAX FOR SUCH YEAR, THE EXCESS SHALL BE TREATED AS AN
 46 OVERPAYMENT OF TAX TO BE CREDITED OR REFUNDED IN ACCORDANCE WITH THE
 47 PROVISIONS OF SECTION SIX HUNDRED EIGHTY-SIX OF THIS ARTICLE, PROVIDED,
 48 HOWEVER, THAT NO INTEREST SHALL BE PAID THEREON.

49 S 8. This act shall take effect on the one hundred twentieth day after
 50 it shall have become a law. Effective immediately, the addition, amend-
 51 ment and/or repeal of any rule or regulation necessary for the implemen-
 52 tation of this act on its effective date is authorized to be made on or
 53 before such date.