



Legislation Details (With Text)

File #: Res 1380-2012 **Version:** * **Name:** Authorize any city having a population of one million or more to provide an angel investor credit against the unincorporated business tax and personal income tax of such city for certain qualified emerging companies and medical technology companies.

Type: Resolution **Status:** Adopted
In control: Committee on Finance

On agenda: 6/13/2012

Enactment date: **Enactment #:**

Title: Resolution calling upon the New York State Legislature to introduce and pass, and the Governor to sign, legislation which would authorize any city having a population of one million or more to provide an angel investor credit against the unincorporated business tax and personal income tax of such city for certain qualified emerging companies and medical technology companies.

Sponsors: Domenic M. Recchia, Jr., Lewis A. Fidler, Letitia James, Peter A. Koo

Indexes:

Attachments: 1. Committee Report, 2. Hearing Transcript, 3. Hearing Transcript - Stated Meeting 6-13-12

Date	Ver.	Action By	Action	Result
6/13/2012	*	Committee on Finance	Hearing on P-C Item by Comm	
6/13/2012	*	Committee on Finance	P-C Item Approved by Comm	Pass
6/13/2012	*	City Council	Introduced by Council	
6/13/2012	*	City Council	Referred to Comm by Council	
6/13/2012	*	City Council	Approved, by Council	Pass

Preconsidered Res. No. 1380

Resolution calling upon the New York State Legislature to introduce and pass, and the Governor to sign, legislation which would authorize any city having a population of one million or more to provide an angel investor credit against the unincorporated business tax and personal income tax of such city for certain qualified emerging companies and medical technology companies.

By Council Members Recchia, Fidler, James and Koo

Whereas, Angel investors are affluent individuals who provide personal capital to start-up companies, often through a trust, fund, or business, and who are distinct from venture capitalists who invest other persons' capital; and

Whereas, Angel investors are particularly critical for small start-ups seeking capital, because most

venture capital funds are not interested in investments of less than \$1 million; and

Whereas, Angel investors in the United States account for almost as much in the aggregate as those of venture capitalists, while furnishing capital to twenty times as many businesses; and

Whereas, In 2010, healthcare/medical firms accounted for 30% of angel investments, and biotech firms comprised 15% of angel investments; and

Whereas, Angel investors can be a significant source of job growth over time; and

Whereas, Over 20 states, including New Jersey, have some form of angel investor credit; and

Whereas, There is not currently an angel investment tax credit or other incentive program which specifically targets investment in the biotechnology and medical technology sectors in New York; and

Whereas, Such a credit would aid in the formation of promising firms by lowering their cost of capital from angel investors; and

Whereas, Biotechnology and medical technology businesses create good, high-paying jobs; and

Whereas, The biotechnology and medical technology sectors complement New York City's university and hospital-based research sectors; and

Whereas, An angel investor tax credit for biotechnology and medical technology would attract capital to a promising sector in the City and could be viewed as part of a long term effort to diversify the City's economy; and

Whereas, The enactment of an angel investor tax credit by New York City would require authorizing state legislation; and

Whereas, Such an angel investor tax credit should allow qualified investors to receive an angel investor tax credit against the unincorporated or city personal income tax; and

Whereas, Such a credit should be 2% per each qualified investment made during a taxable year and the

next 4 years, up to \$20,000 per taxable year, and \$100,000 in the aggregate for all years taken; and

Whereas, The aggregate amount of tax credits allowed shall be up to \$3 million, allocated by the New York City department of finance among taxpayers in order of priority based upon the date of application; now, therefore, be it

Resolved, That the Council of the City of New York calls for the New York State Legislature to introduce and pass, and the Governor to sign, legislation which would authorize any city having a population of one million or more to provide an angel investor credit against the unincorporated business tax and personal income tax of such city for certain qualified emerging companies and medical technology companies.