What is Start-Up NY?

It is a law that allows new businesses to take advantage of tax-free status if located on land owned or leased by a state university or college and/or within a 1-mile from the state university or college. In order to participate in the Start-Up NY program, a business must align with and/or further the state university or college’s mission and goals. Such businesses will not pay corporate taxes or sales taxes, and its employees (within specified limits) will not pay any income tax, for a total of 10 years.

What land is eligible for Start-Up NY?

- Any vacant space in any building, or any vacant land, on a state university/college campus may house a Start-Up NY business.
- In addition, a college may utilize a total of 200,000 square feet of vacant land or building space within a 1-mile of a state university/college campus.
  - A state university/college may apply for identified vacant land or building space located more than one mile from campus, under the same 200,000 square foot restriction.
  - SUNY Canton is primarily considering off-campus property that is already off the tax rolls, such as property owned by the IDA, municipalities, or school districts (i.e. abandoned schools and other buildings).
- Private colleges may apply for a total of 3 million square feet of space to be eligible for the program, on or off their campus.
- A college may not relocate or eliminate any academic or administrative programs or offices; housing, dining, or athletic facilities; or any other facility, space, or program that actively serves students, faculty, or staff to create vacant land or space to be used as part of the program.

What businesses are eligible for Start-Up NY?

- The mission and activities of the business must align with or further the academic mission of the college.
- The business’s participation in the program must have positive community and economic benefits.
- The business must create and maintain net new jobs – full-time, wage-paying jobs (or equivalent) that are filled for more than six months, and have not been transferred from other businesses in NY.
  - For example, if someone leaves his/her position at a local software developer for a position at a business participating in the program, the position left vacant must
be filled; in other words, positions at other companies cannot be eliminated to make space for these new positions – otherwise they are not “net new jobs.”
- The business must be new to NY State.
  o An existing NY business may not close up shop, re-incorporate under a new name, and move its jobs elsewhere.
  o Exceptions:
    - An existing business may expand its current operation in NY into a tax-free area as long as it creates net new jobs and does not eliminate any current jobs in the state connected with the expansion.
    - A business successfully emerging from a NY State incubator may apply to participate in the program, even if it is not “new” by the criteria above.

**What businesses are ineligible for Start-Up NY?**
- Retail and wholesale businesses
- Restaurants
- Real estate brokers
- Law firms
- Medical or dental practices
- Real estate management companies
- Hospitality
- Finance and financial services
- Businesses providing personal services
- Businesses providing business administrative or support services (unless it will create no fewer than 100 net new jobs in the tax-free area)
- Accounting firms
- Businesses providing utilities
- Businesses engaged in the generation or distribution of electricity, the distribution of natural gas, or the production of steam associated with the generation of electricity

**What are the tax benefits for which participating businesses will be eligible?**
- Tax elimination credit for franchise tax or personal income tax for 10 years
- Exempt from organization tax and license and maintenance fees for 10 years
- NY State income tax exemption
  - Up to 10,000 employees state-wide, exempt for 5 years
  - Subsequent 5 years: exempt for income up to $200,000 (individuals), $250,000 (heads of households), or $300,000 (joint filers)
- Credit or refund for sales and use tax on tangible personal property or services
- Exempt from state or local real estate transfer tax or real estate property transfer tax

**How are colleges approved for participation in Start-Up NY?**
- The sponsoring college submits a plan to the Commissioner of Economic Development that:
  - Specifies the land/space the college wishes to include.
  - Describes the type of business/es which may locate there.
  - Explains how such business/es align with or further the academic mission of the college and the positive community and economic benefits.
- Describes the college’s process for selecting participating businesses.
  - Municipalities, local economic development entities, applicable faculty senate, union representatives, and the student government are given a copy of the plan 30 days prior to submitting it to the Commissioner.
  - SUNY Canton’s intention is to involve appropriate campus, local government, and economic development organizations throughout the process, not just 30 days prior to submission to the Commissioner, to ensure that all stakeholders will benefit.

How do businesses apply to participate in Start-Up NY?

- The college solicits and accepts applications from businesses in the form it designates, which must include (but is not limited to):
  - The name, address, and employer ID number of the business.
  - A description of the land/space the business will use.
  - The terms of the lease agreement between the college and business, if applicable.
  - Whether the land/space being used is being transferred or sublet to the business from some other business.
  - Certification that the business meets the eligibility criteria specified above.
  - A description of whether or not the business competes with other businesses in the same community but outside the tax-free area.
  - An agreement by the business to share its tax and other relevant financial information with the sponsoring college, the Department of Labor, and the Tax Commissioner for purposes of monitoring and evaluating the program.
- The college submits these application materials to the Commissioner for review.
- The Commissioner reviews and accepts or rejects applications within 60 days.

Who is the contact person at SUNY Canton for Start-Up NY?

Lenore VanderZee, Chief of Staff, is the contact person on Campus. She can be reached at (315) 386-7109 or vanderzeel@canton.edu.