

Start Up & Emerging Business Law Alert – Life Sciences Initiative Announced in New York State

Governor Andrew M. Cuomo has announced a \$650 million initiative to spur the growth of a new life science research cluster in New York and expand the State's ability to use that research to grow the economy. The Governor's plan provides \$250 million in tax incentives for new and existing life sciences companies that are expanding research and development. Existing life science businesses would be eligible for an annual allocation of \$10 million in Excelsior tax credits. New life science businesses would receive a 15% refundable tax credit on all new qualifying research and development expenditures. Small businesses in the industry could be eligible for up to a 20% tax credit. Angel investors could receive a tax credit of up to 25% of their investment.

The Governor's plan would also provide \$200 million in State Capital Grants, more than 3.2 million square feet of space and 1,100 acres of developable land tax free to accelerate life science innovation. The availability of land and development space are intended to counteract the lack of affordable and appropriate lab space, which companies often cite as a barrier to New York reaching its potential in the life sciences. Over the course of ten years, the \$200 million will support the capital needs of life science companies to encourage innovation.

The state will provide an additional \$100 million investment in early stage life science initiatives, and private sector partnerships have pledged matching funds. Part of this investment will sponsor a new life science launch competition modeled on the 43North innovation competition. The State will host quarterly regional life science launch competitions where firms conducting research and developing emerging technologies will compete for \$25,000 in grant funding. The quarterly winners will then compete for one of five \$100,000 top business launch prizes at a statewide annual Life Sciences Summit.

Visit our [Startup & Emerging Business](#) Practice Area to learn more about the legal services we can provide in this area. If you have any questions or would like more information on the issues discussed in this communication, please contact any attorney in the Firm's Startup & Emerging Business Practice.