Economic development officials want Binghamton to be better-known under the START-UP NY program

The Binghamton area must raise its profile to benefit from a new state program aimed at attracting start-up businesses, according to those overseeing it here.

“No one knows about Binghamton. They don’t have a clue,” Per Stromhaug, Binghamton University’s assistant vice president of entrepreneurship and innovation partnerships, said Thursday.

The BU economic development specialist, who is coordinating the school’s role in the state START-UP NY program, said local businesses should help get the message out to potential entrepreneurs.

Stromhaug and others involved with the Southern Tier’s START-UP NY campaign presented their plans at a Greater Binghamton Area Chamber of Commerce breakfast.

That meeting came a day after Gov. Andrew Cuomo announced the first 12 START-UP NY businesses to expand or locate in the state — creating a total of 400 jobs and investing $50 million in the tax-free areas.

None of the 12 is in the Binghamton area, with the closest expanding in Ithaca under Cornell University’s program. Eight of the 12 will be in the Buffalo area, accounting for 204 new jobs.

“We need to challenge New York not to forget us,” said Robert C. Murphy, director of economic development for the city of Binghamton.

Murphy joined Stromhaug, SUNY Broome Community College President Kevin Drumm and Kenneth S. Kamlet, a lawyer at Hinman, Howard & Kattell on the panel.

The START-UP program allows new or expanding businesses to operate free of income, sales and property taxes for 10 years.

START-UP NY

Tax benefits: Fully tax-free for 10 years. Owners and employees pay no state income tax. The business also pays no business, corporate, property or sales taxes or franchise fees.

Eligibility: Company should be new to New York State, one from out of state that is relocating to the state or a company that is expanding and already operates in New York State. New jobs must be created in the first year.
Employees also do not have to pay the state income tax for 10 years.

Drumm said the income tax waiver for employees is key to attracting highly-paid professionals to jobs in the region. When an engineer making a six-figure salary considers moving from a low-tax state to New York “it’s scary to them,” Drumm said.

All of the panelists emphasized that START-UP could add jobs a handful at a time and spark the whole state’s economic growth. They also said the legislation that created START-UP is complex and broad, with many loopholes that offer flexibility in applying the rules.