



thestartupact

A proposal for new legislation aimed at jump-starting the U.S. economy through successful startups

Achieving a strong, sustained U.S.

recovery will require more high-growth companies, a continuing stream of new ideas capable of being commercialized, fewer roadblocks to launch and grow startups, and low-cost capital available to finance them. To facilitate these outcomes, the Kauffman Foundation proposes the Startup Act: a narrowly targeted, but comprehensive bill aimed at jump-starting the U.S. economy through more successful startups.

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Welcome New Founders to the United States Who Could Build Scale Companies

- Entrepreneurs' visas
- Green cards with diplomas for STEM degrees

Finance Scale Firms and Their Growth

- Facilitate early stage financing of startups
 - Capital gains tax exemptions for long-held startup investments
 - Tax incentives for startup operating capital
- Facilitate access to public markets
- Shareholders of companies with market cap below \$1 billion opt-in under Sarbanes-Oxley Act

Accelerate the Formation and Commercialization of New Ideas

- Differential patent fees to reduce the patent backlog
- Licensing freedom for academic innovators

Remove Barriers to Formation and Growth of Scale Businesses

- Automatic ten-year sunsets for all major rules
- New common sense standards for regulations (cost-benefit test, and options chosen should be the most cost-effective of alternatives available)
- Assessments of state/local startup and business policies (Department of Commerce would provide data to permit others to conduct *Doing Business* type assessments of states/major cities)

KAUFFMAN

The Foundation of Entrepreneurship