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Bipartisan Congressional effort a boost for entrepreneurs

By Jerry Haar
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In occurrences as rare as a total eclipse of the sun or a DUI-free week of motoring by Lindsay Lohan, Congress suspended its partisan political warfare once during the past three months and came together to support job creation and entrepreneurial firms. This development provides rays of hope and optimism amid an all too bleak economic and political landscape.

Two legislative proposals — one already law — are testaments to responsible government. The legislation is the Jumpstart Our Business Startups (JOBS) Act and Startup Act 2.0.

The first is a law intended to encourage [funding](#) of U.S. [small businesses](#) by easing various [securities regulations](#). It passed with [bipartisan](#) support, and was signed into law by the [President of the United States](#) on April 5, 2012.

The legislation extends the amount of time that certain new [public companies](#) have to begin compliance with certain requirements, including those that originated with the [Sarbanes–Oxley Act](#), from two years to five years.

The bipartisan act allows for an increase in the number of [shareholders](#) a company may have before being required to register its common stock with the SEC and become a publicly reporting company; and the law legalizes crowd funding, thereby enabling companies to sell securities through open platforms, similar to the [Kickstarter](#) online model for funding artists and designers. The JOBS Act also gives a boost to nonprofit organizations which operate [crowd funding](#) platforms for [microfinance](#) loans, such as [Kiva](#) and [Zidisha](#).

For Miami-based companies like CareCloud, whose CEO Albert Santalo, an FIU alumnus who attended the Act's signing ceremony at the White House Rose Garden, the JOBS Act is a shot in the arm that will increase access to capital for both start-up and later-stage firms. Additionally, it will decrease the costs and reduce the time associated with an IPO, resulting in the expansion and creation of good jobs, which Miami sorely needs.

The second legislative proposal, the U.S. Senate's Startup Act 2.0 picks up where the JOBS Act left off by helping jumpstart the economy via new business creation and growth. During the last 30 years, firms less than five years old have created nearly all net new jobs, according to the Kauffman Foundation.

Startup Act 2.0 creates an Entrepreneur's Visa for legal immigrants, so they can remain in the U.S., boosting growth and creating jobs. It also creates a new STEM visa so that U.S.-educated foreign students who graduate with a graduate degree in technical areas can receive a green card and stay in the U.S., launch businesses and create jobs. About 25 percent of all new technology companies are founded by foreign-born entrepreneurs, following in the footsteps of previous immigrants such as Andy Grove and Sergey Brin.

Startup Act 2.0 also eliminates the per-country caps for employment-based immigrant visas which restrict U.S. employers from recruiting the first-rate talent they — and the nation — need to succeed. Regarding capital access, Startup Act 2.0 will permanently exempt capital gains taxes on the sale of certain small-

business stock held for at least five years (to provide financial stability) and institute an R&D tax credit for startups less than five years old and annual revenues less than \$5 million.

The original authors of the JOBS Act, which the president signed into law were House Majority Leader U.S. Rep. Eric Cantor (R-Va.) and House Majority Whip Kevin McCarthy (R-Calif.). The Democrat-controlled Senate supported the bill. The Startup Act 2.0 is a bipartisan initiative of Republican Senators, Florida's Marco Rubio and Jerry Moran of Kansas, and Democrat Senators Chris Coons of Delaware and Mark Warner of Virginia.

At a time when the nation's economy continues to amble along anemically and congressional gridlock is the rule of day, it is gratifying to see that politicians can bury the partisan hatchet, even if only briefly, to support entrepreneurship, job creation, and economic development.

For South Florida, in the midst of building an ecosystem for innovative firms and targeting higher value-added employment, this news could not be more welcome.

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