



NEW YORK STATE SENATOR

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New York State Senate Passes 2013-2014 Budget

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Budget Includes Senate Republican Proposals For Tax Relief To Create Jobs & To Help Middle Class Families;

Keeps State Spending Growth Below 2% Again

The New York State Senate today concluded its passage of the 2013-14 state budget that delivers on priorities outlined by the Senate Republican Conference to provide much-needed tax relief for middle-class families, help businesses create jobs, and, for the third consecutive year, the budget keeps spending growth below two percent, which is consistent with the local spending cap that applies to school districts and local governments.

The budget includes direct tax relief for middle class families in the form of a \$350 Family Tax Relief credit, increased tax breaks for small businesses and includes most elements of the Senate Republican's "Blueprint for Jobs" plan, including the reduction and elimination of the utility tax surcharge beginning next year. The budget also increases state school aid by almost one billion dollars to ease pressure on property taxpayers.

"This is a business-friendly and family-friendly budget because it emphasizes the Senate Republican's priorities to help businesses create new jobs and provide tax relief to struggling middle-class families," Senate Republican Conference Leader Dean G. Skelos said. "Our responsibility is to respond to their needs and to make sure that our economy grows in the years to come and, in this budget, we achieved these important goals."

"For the third year in a row, we have negotiated a fiscally responsible, on-time budget in a bi-partisan fashion. The final budget will help to control spending and also offer tax cuts to the middle class and businesses, assist in job creation, and invest in education, health care and infrastructure," said Senator John A. DeFrancisco, Chair of the Senate Finance Committee.

SENATE REPUBLICANS DELIVER FAMILY TAX RELIEF

“Middle class families are struggling because everyday costs keep going up, the cost of raising children is rising and now the federal government is taking more taxes out of people’s paychecks,” Senator Skelos said. “Middle class families in New York deserve relief and, thanks to the efforts of Senate Republicans, this budget gives them much-needed tax relief.”

Over the next three years, each New York family with at least one dependent child and a household income between \$40,000 and \$300,000, will receive a Family Tax Relief credit in the amount of \$350. The total tax relief for Middle Class families will be \$1.23 billion over three years, beginning in 2014.

In addition, the budget extends the middle class personal income tax rate reductions enacted in 2011, which were due to expire in 2014. The tax rate reductions provide 4.4 million taxpayers with \$707 million in tax relief per year. The PIT rates are currently at the lowest level in 60 years.

The budget will also continue the inflation indexing approved in 2011, in order to provide taxpayers with a hedge against inflation, and to avoid unintended tax increases that could otherwise happen as a result of normal income growth. The indexing provision will save taxpayers \$230 million next year.

SENATE REPUBLICANS DELIVER TAX CUTS FOR BUSINESSES TO CREATE NEW JOBS FOR YORKERS

Early in the budget process, Senate Republicans issued a detailed job creation plan called “Blueprint for Jobs,” a comprehensive plan to expand the state’s economy and make businesses more competitive by cutting taxes, reducing costs, making targeted economic investments and expanding job training opportunities. The 2013-14 state budget includes most of the elements of the Senate Republicans’ Blueprint for Jobs plan, including:

- > **Small Business Tax Relief** – The budget includes almost \$600 million in tax relief for New York businesses over the next three years, including a reduction in personal income taxes on business income (\$60 million) for hundreds of thousands of small businesses that pay personal income taxes;
- > **Tax Relief for Manufacturers** – The budget reduces the Corporate Tax on manufacturers, helping them reduce costs and compete more effectively.
- > **Reducing Energy Taxes** – Senate Republicans rejected the Governor’s proposal to fully extend the 18a energy tax surcharge on all business and residential ratepayers for five years. Instead, the surcharge will be reduced and eliminated over three years starting next year, reducing energy bills for all business and residential ratepayers.
- > **Helping Our Heroes** – The budget creates a tax credit to any business that hires a veteran returning home from military service. The credit will equal 10 percent of wages paid --

increasing to 15 percent of wages if the veteran is disabled;

> **Tax Credit for Teen Employees** – The budget includes a refundable tax credit for businesses that hire people under the age of 20, saving businesses \$112 million over three years.

> **New York State Incubator Program** – The budget includes \$1.25 million to provide operating support for the state's business incubators and to create or designate 10 high-tech business incubators at locations affiliated with higher education institutions with tax benefits for tenant businesses.

> **Expanded Job Training programs** - The budget creates the Next Generation Job Linkage Program that is based on the successful "ready-workforce" programs used in a number of states. This Senate Republican initiative will help attract and retain tens of thousands of jobs by providing comprehensive, targeted training that is specifically tailored to meet the needs of individual employers. The budget includes \$5 million for this new program.

> **Workers' Compensation and Unemployment Reform** – Businesses will save \$1.3 billion as a result of reforms to modernize and simplify the state's workers' compensation and unemployment insurance programs. The savings do not impact workers' benefits.

> **Expanded Agriculture Marketing** – The Senate Republicans' "Grown in New York" plan to strengthen the state's agriculture industry called for expanded marketing efforts to promote New York-made foods and produce such as maple products, apples, grapes, etc. The budget creates the new Market-NY initiative to better market New York-grown farm products.

> **SUNY 2020, CUNY 2020 Economic Development programs** – Two years ago, Senate Republicans pushed for the creation of the SUNY 2020 program to bolster economic development efforts at SUNY colleges. The 2012-14 state budget includes \$55 million to fund a third round of competitive grants for the SUNY 2020 economic development program and

\$55 million to create a similar program for CUNY schools.

AID TO EDUCATION

> The budget increases statewide aid to education by almost one billion dollars over last year. State school aid will be distributed fairly among every region of the state.

> The budget raises community college base aid by \$150 per student.

> Local libraries will receive a state aid increase of \$4 million.

LOCAL GOVERNMENT MANDATE RELIEF AND TRANSPORTATION AID

> For the first time in five years, local aid for road and bridge improvement projects will be increased. Senate Republicans fought for a \$75 million increase (21 percent) in funds for the Consolidated Highway Improvement Program (CHIPS).

> The budget includes a two-year transportation capital program of \$3.7 billion for highway and bridge construction and repair projects.

> Non-MTA transit services, such as local bus operations, will receive an increase in capital funds of \$21 million, as a result of efforts by Senate Republicans.

> Local governments and school districts will have the option to take advantage of pension reforms included in the budget that would give them short term relief from rising employee pension cost.

> The budget will give county governments an advance of federal aid from the Affordable Care Act of \$80.6 million this year.

> Villages will receive a total of \$1.5 million in aid to municipalities.

PROPERTY TAX RELIEF

> The budget includes a record amount of property tax relief under the STAR program, a total of \$3.4 billion, a \$143 million increase over last year.

> Of the \$3.4 billion, \$912 million goes to enhanced STAR property tax relief for senior citizen homeowners.

> New York City residents who pay property taxes will receive \$611 million in tax relief through STAR.

ENVIRONMENTAL CONSERVATION

> The budget increases the Environmental Protection Fund by \$19 million for a total of \$153 million.

> The budget includes \$40 million in additional NY Works funding for environmental cleanup projects.

For more detailed information on the 2013-2014 New York State Budget, click [here](http://www.nysenate.gov/report/2013-2014-new-york-state-budget), or visit <http://www.nysenate.gov/report/2013-2014-new-york-state-budget>.