



NEW YORK STATE SENATOR

John J. Bonacic

Bonacic: Democrats Push Through Yet Another Tax Hike on Small Business

JOHN J. BONACIC May 5, 2009

In a closed door agreement, Senate Democrats, holding a 32 – 30 majority over Republicans hashed out a closed door agreement to tax the payrolls of Orange County small businesses, not-for-profits, and local governments.

Senator Bonacic said, “The New York City Democrats who control State government obviously know nothing about transportation in the Mid-Hudson Valley. They need to venture off of the Thruway and see that you can’t take a subway from Port Jervis to Newburgh.”

Bonacic pointed out that the payroll tax rate the Democrats’ plan to charge Orange County businesses will be 75% that of which will be charged to businesses in Westchester County, New York City, and Long Island, where substantial mass transit services exist. “What starts as a tax on Orange County residents, can quickly move to a tax on Ulster and Sullivan County residents. Right now, companies like Kolmar Labs – which employs hundreds of people on the Orange/Sullivan County border are making decisions to stay in New York or move to Texas. If New York is to become competitive again, we need less taxes and less government regulation, not the expansion of taxes,” Senator Bonacic said.

The tax will take millions of dollars out of the collective small businesses of the Hudson Valley. Those millions of dollars would have circulated throughout the Hudson Valley in terms of employee salaries, job creation, and investment. Now, the money will be taken and put into the City’s subway and bus system.

People are leaving New York for lower taxed States. Since January, when the entire State government came under control of three New York City Democrats, taxes have been raised on electricity, health insurance, cigars, beer, wine, and now a payroll tax on Hudson Valley small businesses. In addition, the STAR rebate – worth hundreds of dollars each year to property taxpayers was ended and a SUNY tax was levied on SUNY students of \$500 per student, per year.

“We always said if the Senate was taken over by New York City based Democrats, they would push through a tax and spend agenda that hurts our region and helps the City. Senate Democrats have lost any argument they speak for anyone but New York City and the immediate suburbs. They claimed we are ‘One New York’ but apparently we are ‘Their New York’,” Senator Bonacic said.

Senator Bonacic has been in small business most of his life. “You scrape, you save, you invest. One day you sit with your spouse and talk about whether you can hire your first employee; you grow . . . and now government comes and takes a bigger slice of it, all without offering any service. In the 1700’s we had taxation without representation; today we have taxation without recognition – recognition that high taxes are killing our economy and chasing our children and grandchildren from this State.”

“We Republicans in the State Senate will fight everyday to get one Democrat in the Senate - just one to stand with us and prevent these new taxes. Senate Republicans have voted for property tax cuts, a tax cap on school taxes, and a Constitutional spending cap on the State budget. Senate Democrats are laughing at taxpayers in their first few months of power. We will continue to fight to hold them accountable because New Yorkers cannot afford these higher taxes.”

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