



NEW YORK STATE SENATOR

Owen H. Johnson

Johnson /Senate Unveil \$1.3 Billion Small Business Assistance Package

OWEN H. JOHNSON January 11, 2007

| ISSUE: **SMALL BUSINESS**

State Senator Owen H. Johnson (4th Senate District, Babylon), Chairman of the Finance Committee, joined Senate Majority Leader Joseph L. Bruno and his Senate colleagues this week in unveiling a small business and manufacturing assistance plan that would help New York's small businesses grow and create jobs. The plan would provide \$490 million in assistance in the first year and almost \$1.3 billion in tax relief and assistance to small businesses when fully implemented after three years.

"Small businesses are the backbone of our state and regional economies but they face some unique challenges that hinder their success and that demand our immediate attention," said Senator Johnson. "When small businesses are given incentives that reduce their cost of doing business, they're more likely to stay or locate here; expand here; add to their workforces and provide the kinds of good-paying jobs that entice our young people to stay here in New York and on Long Island. The economic benefits of helping small businesses thrive cannot be overestimated."

Johnson explained that the Senate plan would eliminate the corporate income and franchise tax for manufacturers; provide direct property tax relief checks to small businesses; provide tax relief for businesses that pay personal income tax; provide tax credits for the costs of

energy; and cut State red tape and bureaucracy.

There are almost half a million small businesses (fewer than 100 employees) in New York State, with 70 percent of them employing ten people or less. The majority of new jobs created in New York are created by small businesses.

The Senate small business assistance plan includes:

- Eliminating the income tax and corporate franchise tax on manufacturers, regardless of size, providing \$550 million in tax relief;
- A \$350 million refundable tax credit to help 386,000 small businesses, that employ 20 people or less, with rising energy costs;
- Reducing Corporate Franchise Tax rates from 7.5 percent to 6.85 percent, saving businesses \$150 million;
- Creating a Small Business STAR program to provide direct rebate checks, averaging \$700, to small businesses that pay school taxes and employ less than 20 people, providing \$150 million in property tax relief;
- Expanding incentives to encourage emerging technology companies that do research and development in New York, to also manufacture their products in New York;
- \$20 million in relief through reforms of the corporate franchise tax; and
- Relief from red tape and bureaucracy by simplifying and reducing paperwork, eliminating unnecessary or overly burdensome fees and permits, and creating a one-stop shopping information center to help someone start or expand a small business in New York.

Johnson explained that the Senate Majority has initiated tax cuts and reductions that have provided taxpayers with a cumulative savings of more than \$126 billion. This package would

build on the Senate's record by specifically targeting small business job growth.

"This comprehensive plan gets to the heart of what small businesses need to succeed in New York," said Johnson. "I look forward to working with my Senate and Assembly colleagues and Governor Spitzer in moving this package forward."