



NEW YORK STATE SENATOR

John J. Bonacic

## Senator Bonacic Proposes Job Creation Plan for Small Businesses

JOHN J. BONACIC January 26, 2010

| ISSUE: **ECONOMIC DEVELOPMENT**

### ***Plan Would Give Tax Credits to Businesses Which Create Jobs, Enact State Spending Cap to Help Improve Overall Economic Climate***

New York State Senator John J. Bonacic (R/I/C – Mt. Hope) today announced a new plan to help create jobs for local residents and provide desperately needed relief for small business owners.

"Putting people back to work is the best way to help our economy improve. This plan would help create new jobs by giving small businesses financial incentives and reducing their tax burden. With the Hudson Valley losing over 35,000 jobs last year alone, this plan is absolutely vital to our economic recovery," said Senator Bonacic.

"Despite spending billions of dollars in federal stimulus monies last year, New York lost 269,000 jobs. Obviously, what this state is doing hasn't been working."

The job creation and tax relief initiative will help local small businesses create jobs by lowering business costs and giving them financial incentives to hire new employees. In addition, the plan would provide attractive incentives for new companies to relocate to New York, bringing additional jobs for local residents.

The plan would:

- \* **Provide Tax Credits for Creating New Jobs:** Give New York employers a recurring three-year tax credit of up to \$5,000 for every new job created. Credit would be equal to 100% of the withholding generated from each new job, up to a maximum of \$5,000. Credit would apply only to new jobs that expand total payroll. The credit could increase by as much as an additional \$3,000 per job if the new hires are taken from the ranks of the unemployed who are collecting state unemployment funds. This incentive would help reduce unemployment costs to the state, saving taxpayers money.

- \* **Reduce Taxes on Small Businesses:** Lower the cost of doing business in New York State by providing business tax relief. The plan would create a five year moratorium on any new taxes or fees on small businesses and manufacturers and accelerate the phase-out of the 2009 personal income tax increase for small businesses. In addition, the plan eliminates the corporate franchise tax for hundreds of small businesses and manufacturers with 50 or fewer employees and less than \$2 million in net income. Reducing costs will help small businesses grow and create jobs for local residents.

- \* **Cut the Red Tape:** To help reduce bureaucratic red tape on small businesses, the plan would impose a five year moratorium on new business regulations from state agencies. The plan would also create a new commission to identify and make binding recommendations about ways to streamline and/or eliminate the most costly and counter-productive regulations.

- \* **Enact a Cap on State Spending:** The plan would impose a constitutional cap on state spending to help ensure the state lives within its fiscal means, which will improve the state's overall economic climate.

Senator Bonacic has repeatedly called on Albany to enact a state spending cap. Governor Paterson has also advocated for a state spending cap

Business groups were quick to weigh in with praise for the Senate Republican plan.

"Small business is the engine that drives most job creation in our economy--and that will grow us out of this economic mess. Lowering New York's, second worst in the nation, business tax climate, and cost of doing business is really what small business needs to survive and grow, and that's exactly what this job creation plan will do. The proposal put forth today by the Senate Republican Conference is the right recipe for expanding our economy and deserves bipartisan support in both houses of the Legislature," said Mike Elmendorf, New York State Director of the National Federation of Independent Business (NFIB), New York's leading small business advocacy association.

Senator Bonacic is urging Governor Paterson to adopt the measure.

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