



NEW YORK STATE SENATOR

Betty Little

Senator Little Pushes Job Growth Plan

BETTY LITTLE January 26, 2010

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Would provide tax credits for new jobs created

A job-growth plan proposed today by Senator Betty Little and her Republican Senate colleagues would provide a new tax credit, averaging between \$2,500 and \$5,000, for every new job created by businesses throughout the state.

The plan would also eliminate taxes for small businesses and manufacturers that pay the state's corporate franchise tax and roll back an income surcharge that was included in the

state budget adopted last year. The Republican initiative also would place a moratorium on new taxes, fees and regulations.

“If we give entrepreneurs and business owners a chance to succeed, they won’t let us down,” said Senator Betty Little. “These are people driven to succeed, but high taxes and a hostile regulatory environment that I hear about almost every day, has driven small businesses into the ground or out of state.

“This year’s budget must do more to change the way New York State treats private-sector employers. Increasing taxes won’t solve the budget problem as proven last year. We need some positive growth that comes from all corners of the state. The centerpiece of our plan, the new tax credit, would not cost the state anything. A tax credit to help businesses create new jobs is the kind of economic stimulation that I think people want to see.”

Little was critical of the budget adopted last year that raised taxes and fees more than \$8 billion. At the time she argued that higher taxes and fees would stifle new job growth at the same time billions of dollars in federal funding was being spent to stimulate the economy. Last year, New York lost 269,000 jobs and Governor David Paterson’s budget projects that another 40,000 jobs will be lost this year.

The proposal would provide a refundable tax credit averaging \$2,500 up to a maximum of \$5,000 to businesses, manufacturers and other private sector employers for every new job they create. The tax credit would be recurring for three years and would only be provided for new jobs that expand total payroll, equal to the amount of tax withholding for each new job.

For example, a new job paying \$30,000 would provide an employer with a tax credit of about \$1,150. A job paying \$50,000 would provide a \$2,500 tax credit.

The proposal applies only to new jobs and employees that don't currently provide New York with any payroll revenue. Such an incentive would help reduce unemployment and the costs borne by taxpayers.

The plan also places a moratorium on any new business taxes and fees and 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. It also accelerates the phase-out of the PIT increase on small businesses that is scheduled to expire at the end of next year.

The jobs initiative would also prohibit the State from enacting any new regulations on New York companies, and create a new Berger-style commission that would have the power to eliminate regulations which are currently hindering businesses.

The proposal has been endorsed by the National Federation of Independent Business (NFIB), New York's leading small business advocacy association.

"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 NFIB New York State Director Mike Elmendorf.