



NEW YORK STATE SENATOR

Joseph E. Robach

Senator Robach Announces Major New Jobs Initiative

JOSEPH E. ROBACH January 29, 2010

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This week, Senator Joseph E. Robach announced a major new jobs initiative designed to improve New York's business climate, reduce taxes, and create thousands of new jobs for workers across the State.

The plan's centerpiece would grant businesses a three-year tax credit, averaging between \$2,500 and \$5,000 for every new job created. It would also eliminate taxes for small businesses and manufacturers that pay the state's corporate franchise tax and roll back the income tax surcharge placed on them in the budget. It also places a suspension on new taxes, fees and regulations that are killing private sector job-creation efforts in the state.

“Job creation across New York should be one of our biggest priorities,” said Senator Robach. “The taxes and fees that were imposed as a result of last year’s budget are crushing small businesses throughout upstate and making it almost impossible for businesses to provide jobs in the community.”

Despite the current state of our economy, last year's state budget, which Senator Robach voted against, raised taxes on businesses in this State by \$3.6 billion. It should be no surprise that New York lost 269,000 jobs in 2009. Projections show another 40,000 jobs to be lost this year.

Senator Robach's job plan 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.

That credit could grow by as much as an additional \$3,000 per job if new hires are taken from the ranks of the unemployed who are collecting unemployment insurance from the State. Such an incentive would help reduce unemployment and the costs borne by taxpayers.

"Getting New Yorkers back into the work force and supporting businesses for doing so is a win-win situation," said Senator Robach. "This incentive will help small businesses grow in our area and maybe even save a business from relocating or shutting down."

The proposal applies only to new jobs and employees that don't currently provide New York with any payroll revenue.

The plan also places a freeze 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 Personal Income Tax increase on small businesses that is scheduled to expire at the end of next year.

Senator Robach said passage of a State spending cap is key to the State's efforts to create jobs, arguing that putting the brakes on wasteful spending is critical to ensure the resources necessary to invest in important job creation and tax cutting efforts in the future.

According to the latest statistics, the bulk of the state's job losses have been in upstate New York. If enacted, Robach's plan would provide a much-needed, shot-in-the-arm for New York's stagnant economy. Business groups were quick to support this job creation plan.

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