



NEW YORK STATE SENATOR

Betty Little

## Senator Little discusses a Senate Republican proposal to boost new job creation

BETTY LITTLE February 24, 2010

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### **LOCAL BUSINESS LEADERS JOIN STATE SENATORS TO DISCUSS JOB CREATION PLAN DESIGNED TO HELP WESTERN NEW YORK ECONOMY**

Local business leaders joined with New York State Republican Senators on Thursday, February 18 at a Western New York Business Roundtable Discussion focusing on the challenges of running a business in our state and a major new jobs initiative designed to improve New York's business climate, reduce taxes and bureaucratic red tape, and create thousands of new jobs for workers across the state.

Senator Mike Ranzenhofer (Amherst), Senator Dale Volker (Depew), Senator George D. Maziarz (Newfane) and Senator Betty Little (Queensbury) outlined the 2010 Job Creation & Retention Act at a business roundtable conducted by the Senate Republican Program Development Committee at the Ken-Ton Chamber of Commerce in Tonawanda.

Business leaders attending the discussion included representatives from a number of area Chambers of Commerce as well as Ralph Showalter, President of Buffalo Tungsten; Kelly Oldenburg of NOCO

Energy; Rebecca Meinking, President of Associated Builders & Contractors, Inc.; Robert Gilmour of J.W. Danforth Co.; Tom Sabatino, President of TC Rose Co., and Kevin Montante of TM Montante.

Last year, over 20,000 jobs were lost in Western New York. The Senate Republican plan will give businesses large and small real incentives to create jobs and get our economy moving in the right direction.

The jobs plan would reward businesses with 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 last year. The plan would also place a moratorium on new taxes, fees and regulations that are killing private sector job-creation efforts in the state.

"Business owners and residents are increasingly upset and frustrated about job-killing taxes and crushing regulations. Today's roundtable is an opportunity to work with community business leaders to discuss rolling back taxes, ending red-tape and providing incentives to create good-paying jobs for New Yorkers. Our job creation plan will help to strengthen our economy and put New Yorkers back to work," said Senator Ranzenhofer.

Senator Volker said, "Job creation is key to our region's economic revitalization and our job creation plan is a common sense approach to getting our economy back on track. Unfortunately, for the past four years, the state has given very little attention to our region's economic challenges. That is why our jobs plan is essential and why we must couple this initiative by reigning in spending, making our state more business friendly so that they can start creating jobs again, and making sure that every tax dollar is used efficiently and effectively to pay for essential programs that everyday New Yorkers depend upon."

Senator Maziarz said, "Economic development and job growth are the top priorities of Western New Yorkers. They need to be the top priorities of the powers-that-be in Albany. Too often, state government gets in the way by forcing businesses to jump through hoops and burdening them with new taxes and fees. Our focus is different. Our job creation plan, if implemented, will reduce the tax burden on businesses that create jobs, plain and simple."

"Entrepreneurs and business owners are people driven to succeed," said Senator Betty Little, chair of the Senate Program Development Committee. "But high taxes and a hostile regulatory environment are driving them into the ground or out of state. We need some positive growth that comes from all corners of the state. The centerpiece of our plan, a new tax credit, would not cost the state anything. A tax credit that recognizes and rewards businesses that create new jobs is the kind of economic stimulus I think people want to see."

"Doing business, especially manufacturing, in New York State is very challenging not only due to the high taxes but the regulatory climate in New York is very anti-business. For example workman's compensation and unemployment compensation rates in New York are among the highest in the nation. And when employers contest unemployment and comp cases before administrative law judges the burden of proof is always on the employer. This liberal mentality in New York of trying to protect the 'little guy' allows for a lot of abuses in the system and increases the cost of doing business in New York. That's why you see so many businesses leaving this state," said Buffalo Tungsten Owner Ralph Showalter.

The Senate jobs 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.

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

The jobs 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.

Senate Republicans 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.

In his budget, Governor Paterson cut in half funding currently targeted for job creation. He calls for new tax credits for creating jobs. However, the requirements on businesses are highly restrictive, and he caps the program. The Governor's Budget Division estimates that fewer than 50 companies might benefit each year.

According to the latest statistics, the bulk of the state's job losses have been outside of New York City in regions such as Western and Central New York, the North Country, Hudson Valley and Long Island. If enacted, the Senate Republican plan would provide a much-needed, shot-in-the-arm for New York's stagnant economy.

A number of statewide business groups have weighed in with praise for the Senate Republican plan:

"Private sector job creation needs to be New York's highest priority. This plan addresses this vital need by removing barriers to job growth and giving our citizens hope and opportunity. The tax credit for job creation and the moratorium on new regulations and taxes on small business are effective tools to create jobs. New York has lost hundreds of thousands of jobs because the state spends too much and taxes too much. The spending cap in this plan is an important fiscal reform that must be enacted," said Kenneth Adams, president and CEO of The Business Council of New York State, Inc.

"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.

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