



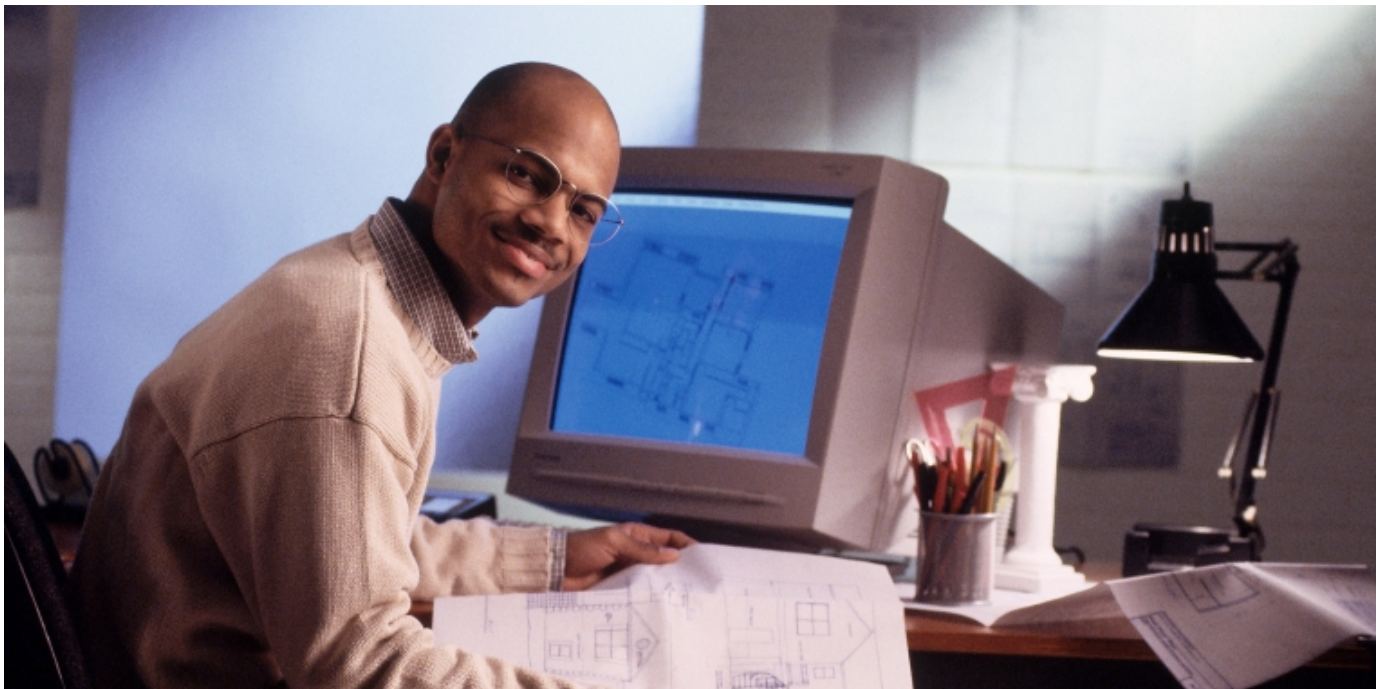
NEW YORK STATE SENATOR

Hugh T. Farley

Sen. Farley and Fellow Republicans Introduce Job Creation Bill

HUGH T. FARLEY March 2, 2010

| ISSUE: **ECONOMIC DEVELOPMENT**



State Senator Hugh T. Farley (R, C, I - Schenectady) and members of the Senate Republican Conference announced on March 2nd that legislation to create thousands of new jobs and turn around the State's economy has been introduced. The jobs plan provides tax credits to businesses that create new jobs, eliminates the State corporate franchise tax for small businesses, and rolls back the personal income tax surcharge that hit small businesses last year.

The jobs bill (S.6959) provides incentives similar to those passed last week by the United States Senate, which also includes a tax credit for businesses that create new jobs.

The Senate Republican plan would save a business thousands of dollars for each new job created. The more a business pays a new employee, the greater the tax benefit. The tax credit would have minimal impact on the State budget because the new jobs would generate revenue for the State, and, if a new employee is hired off unemployment, the credit would be paid for with federal stimulus dollars within the unemployment fund.

The bill passed by the U.S. Senate provides the tax credit only when an employer hires someone who is unemployed. The credit in the State Senate Republican plan does not include that restriction, but does provide an additional tax credit if someone is hired off unemployment.

When combined, the two plans would save employers thousands of dollars for every job they create. For example, under the Senate Republican plan, if a business creates a new job with a salary of \$35,000, it would receive a \$1,487 tax credit. If the business hires someone off unemployment, it would receive an additional \$3,000 credit.

The federal plan would provide that same business a credit of \$1,808 and an additional \$1,000 bonus if the employee is retained for the entire year. When combined, the Republican State Senate and the federal plan would save the business a total of \$10,269 over three years for creating that new job.

The centerpiece of the State Senate Republican job creation 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 with 50 or fewer employees or less than \$2 million in net income that pay the State corporate franchise tax,

and roll back the income tax surcharge placed on them last year by Democrats in the budget. It also places a moratorium on new taxes, fees and regulations on businesses.

Last week, the U.S. Senate approved a \$13 billion jobs bill that would allow companies to avoid paying Social Security taxes for the remainder of 2010 on new hires who have been unemployed for at least 60 days. Employers would also receive a \$1,000 tax credit for each new worker who stays on the job for at least a year.