



NEW YORK STATE SENATOR

John J. Flanagan

## Senator Flanagan Joins Suffolk Executive Steve Levy And Other Elected Officials To Protest Loss of State Economic Development Tax Credits

JOHN J. FLANAGAN July 6, 2010

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Senator John Flanagan (2<sup>nd</sup> Senate District) joined with Suffolk County Executive Steve Levy, Senator Ken LaValle (1<sup>st</sup> Senate District), Senator Owen Johnson (4<sup>th</sup> Senate District), Suffolk legislators and area business leaders to protest a proposal by the Democrat leaders in the New York State Legislature and Governor David Paterson that will eliminate over 30 economic development tax credits that assist local businesses.

New York State Senate and Assembly majority leaders, along with Governor David Paterson, have reportedly come to this agreement as part of the revenue portion of their state budget agreement which is currently more than three months late. Their action would defer, without interest, \$2 billion worth of promised state tax credits to businesses for the next three years.

“At a time when our state should be focusing on creating desperately needed jobs, the Senate and Assembly Democrats are aiming to eliminate programs with proven records of job creation and that is the wrong approach. County Executive Levy has wisely used these programs to help our small business community grow and the state should be partnering with him and other leaders across this state to build our economy and create jobs instead of installing short-term road-blocks,” stated Senator Flanagan. This measure would include 9 different Empire Zone credits, Power for Jobs credits, low-income housing credits, investment credits, employment incentive credits and a number of credits for solar, clean energy alternative fuels and “green” building projects, among others.

The lawmakers joined together to publicly announce their objections at a press conference outside Gemini Pharmaceuticals of Commack, a company which was recently incorporated into the Empire Zone and is now facing the loss of various tax credits.

“It makes no sense to punish a successful and growing company like Gemini,” said the company’s President, Mike Finimore.

“Major businesses have invested, expanded and created jobs based upon these promised tax credits,” said Levy. “It is a slap in the face to the economic future of our state that the Assembly, Senate and governor are renegeing on those agreements because they view business as a cash cow. This proposal will result in a giant ‘Closed for Business’ sign hovering above New York State.”

He added that the state will gain approximately \$2 billion in what is essentially “short-term borrowing off the companies who legitimately earned these credits.”

The county executive said the short-term loss of millions of dollars of tax credits to Suffolk companies could likely result in private sector layoffs, outsourcing or re-location of jobs to other regions of the country.

“The long-term effect is equally devastating, in that New York’s credibility to the business community is irreparably harmed by removing these credits for three years,” Levy noted. “How can Suffolk County, Long Island or any other region be taken seriously again in trying to attract companies to New York State when the Democratic majority in the legislature, at the midnight hour, has taken away substantial tax credits that were promised to these companies?”

“New York should be doing everything it can to help businesses thrive and create new jobs,” said Senator LaValle. “Cutting back on such efforts is simply shortsighted. Rather than fix any problems that exist within the Empire Zone program, the Democrats have abandoned a successful program and cut the state’s investment in job creation by 90 percent.”

“These programs were able to create jobs right here on Long Island by encouraging companies to invest in our local economy. In these tough economic times, I would have rather partnered with my colleagues to work out our differences instead of blindly slashing programs that were an engine for job creation. The Senate Democrats are further hindering the ability for new business and small businesses to grow and create jobs here on Long Island.”

“The elimination of these programs and important business tax credits is clearly a step in the wrong direction in a state that can ill afford any more missteps. With a budget that is now over three months late, there has been enough time for them to come up with more creative solutions to the issues facing our state and it is disappointing that they are failing in that task,” added Senator Flanagan. “The good news is that there is still time for the Senate and the Assembly Democrats to reconsider this costly and foolish plan and I urge them to do just that for the good of our businesses and our residents.”