



NEW YORK STATE SENATOR

James L. Seward

## Seward Applauds Passage of Job Creation & Taxpayer Protection Act

JAMES L. SEWARD January 19, 2011

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ALBANY, 01/19/11 – State Senator James L. Seward (R/C/I–Oneonta) today announced senate approval of the *Job Creation and Taxpayer Protection Act of 2011*, a three-part plan to encourage the creation of new private sector jobs and ensure fiscal responsibility through the enactment of a two percent state spending cap and requiring a two-thirds “super majority” vote to raise taxes.

“These job-creating, cost cutting measures are exactly what New Yorkers are demanding,” said Senator Seward. **“Approving these bills to open the 2011 session sends a clear message that the senate shares the priorities of the people and is taking firm action to turn these goals into reality.”**

Prior to the start of the senate session, Senator Seward released his legislative agenda titled *Extreme Makeover: New York*. Many of the elements contained in Seward’s four part initiative are incorporated in the plan adopted today.

**“Just like my *Extreme Makeover: New York* initiative, the *Job Creation and Taxpayer Protection Act* confirms that New York is serious about cutting spending and knocking down barriers to economic growth.**

**“Reinvigorating private sector job growth will help provide a strong foundation and launch real economic recovery. At the same time, shutting off the state spending spigot and creating a real roadblock to any new taxes will force state government to live within its means at a cost taxpayers can afford,”** Seward added.

The *Job Creation and Taxpayer Protection Act of 2011* includes the following measures:

## **INCENTIVES TO CREATE NEW JOBS**

The plan would provide businesses with a three-year tax credit of up to \$5,000 for each new job created. 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.

In addition, the plan would 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 2009. It also places a moratorium on new taxes, fees and regulations that are killing private

sector job-creation efforts in the state.

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.

### **STATE SPENDING CAP**

This will be the third time that Senator Seward has voted to pass a state spending cap that ensures New York spends no more than taxpayers can afford. The cap, which would be set at 2 percent or 120 percent of the CPI (currently 1.9 percent), whichever is lower, would ensure that the state reduces spending and lives within its budget, easing the burden on taxpayers.

### **SUPER MAJORITY VOTE TO RAISE TAXES**

This constitutional amendment would require a two-thirds “super majority” vote in each house, rather than a simple majority, to make it much more difficult to raise state taxes. Sixteen states currently require more than a majority vote to increase taxes.

Business groups were quick to weigh in with praise for the senate Republican plan.

Mike Elmendorf, New York State Director of the National Federation of Independent Business (NFIB), New York and the nation's leading small business advocacy organization said: "Small business understands that in order to restore and grow our economy, New York's destructively oppressive tax burden and cost of doing business must be reduced. The package of common sense reforms being advanced today by the senate majority is an important step in that direction and includes policies NFIB has strongly supported, such as a spending cap and requiring a super-majority vote to increase taxes and fees."

The Business Council of New York State, Inc. President and CEO Kenneth Adams said, "The senate Republicans are on the mark to focus on controlling state spending and taxes to create jobs. A state spending cap is a necessary reform to bring fiscal sanity to New York."

Unshackle Upstate Executive Director Brian Backstrom said: "The introduction of the senate majority's plan to promote job growth, cut burdensome taxes and stop unnecessary regulations on New York's struggling business community is a first step to reviving our state's economy. Today's announcement sends a clear message that the members of the senate majority are committed to fulfilling their campaign promises of lowering taxes and fostering private sector job development. But we need both houses and both parties to do what is right for struggling New York businesses. It's time to pass these bills."