



NEW YORK STATE SENATOR

James S. Alesi

## Senator Alesi Job Creation Legislation Passes Senate WITH Bipartisan Support / the Job Creation and Retention Package Is the First Bill Passed by the Senate in 2011

JAMES S. ALESİ January 19, 2011

| ISSUE: **ECONOMIC DEVELOPMENT**

| COMMITTEE: **COMMERCE, ECONOMIC DEVELOPMENT AND SMALL BUSINESS**



ALBANY – As a true indication that job growth and economic development are his top priorities in New York State, Senator Alesi (R-C-I – Perinton), Chairman of the Senate Committee on Commerce, Economic Development and Small Business, today passed the *2011 Job Creation and Retention Package*, a comprehensive proposal to improve our state’s economic climate, strengthen our small businesses, and spur job growth in our communities.

“Job creation and economic development are my first priorities. It is important for my constituents in Monroe County, and for all New Yorkers, to understand that the Senate Republican Majority is committed to improving the economy of New York State,” said Senator Alesi. “That my legislation, the *Job Creation and Retention Package* was the first legislative proposal passed in the Senate this year – with bipartisan support – emphasizes the seriousness of my efforts to revitalize Upstate New York, and reinvigorate New York’s struggling economy. This is a comprehensive approach to creating new jobs, and no one could argue that New York doesn’t need new jobs right now.”

The *Job Creation and Retention Package* would provide businesses with a three-year tax credit, up to \$5,000 for every new job created, 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 imposed on small businesses during the last legislative cycle. The legislation also places a moratorium on new taxes, fees and regulations.

“The simplicity of my plan is also its strength,” said Senator Alesi of the *Job Creation and Retention Package*. “Give businesses incentives and the ability to stay and grow here in New York and then leave them alone as they try and do so. Instead of repeatedly taxing and regulating them, let us reward businesses and manufacturers when they create new jobs and give them incentives to create more!”

Key elements of the *Job Creation and Retention Package* (S.1891) include:

**JOB CREATION TAX CREDIT:** The credit will equal the amount of withholding generated from each new employee that is hired by a New York business. The credit can be claimed for the first three years of employment up to \$5,000 for every new job they create. The business can earn an additional \$3,000 credit for the first full year for hiring someone who is collecting unemployment insurance benefits. The Federal government enacted a similar credit on March 18, 2010, call the “Hire” credit, which expired on December 31, 2010. New York delegation members have proposed legislation to extend this credit until July 2011. If the “Hire” credit is extended, in combination with the New York Job Creation Tax Credit, a New York company could get a maximum credit of \$12,321 per employee.

**SMALL BUSINESS TAX FREEDOM PLAN:**

1. **Tax and Fee Moratorium** – Enact a moratorium on any new taxes or fees on small businesses, manufacturers and farms;
2. **PIT Rollback** – Accelerate the phase-out of the 2009 personal income tax increase for small businesses by one year. No surcharge for tax year 2011 (\$400 million);

3. **Corporate Franchise Tax Elimination** – In the first year of the plan, the corporate franchise tax would be cut in half for businesses with 50 employees or less, or not more than \$2 million in net income. In the following year, the business tax would be completely eliminated for these businesses. This tax cut would particularly benefit main street businesses, existing small manufacturers, small start-ups, and high technology companies. New York State has 18,500 technology companies with an average of 16 employees. There are a total of more than 427,000 small businesses in New York that employ more than 3.9 million people (\$100 million).

**RED TAPE MORATORIUM PLAN:**

1. Enact a new moratorium on new business regulations and red tape from state agencies. Any new regulations would have to be approved by the Legislature.
2. Establish a new commission to identify and make binding recommendations on eliminating the most costly and counter-productive regulations.

####