



NEW YORK STATE SENATOR

Charles J. Fuschillo Jr.

## Senator Fuschillo: Economic Development and Job Creation Part of 2011 Legislative Session Highlights

CHARLES J. FUSCHILLO JR. July 8, 2011

| ISSUE: **ECONOMIC DEVELOPMENT**

Senator Charles J. Fuschillo, Jr. (R-Merrick) today informed residents about legislative actions taken during the 2011 legislative session to create jobs, encourage economic development, and help turn our economy around.

“Creating jobs and promoting economic development, without raising taxes, are the priorities needed to get us headed back in the right direction; those are exactly the priorities we addressed. Legislation passed this year will help businesses grow, put people back to work, and make Long Island more affordable for families and businesses. We helped put New York State back on the right track, but we need to build on these successes to ensure that we continue moving forward,” said Senator Fuschillo.

Following are some of the initiatives passed by the State Senate this year to help promote economic development, create jobs, and reduce costs on families and businesses:

### **Property Tax Cap:**

Senator Fuschillo strongly supported the new property tax cap law which will cap spending for school districts and local governments. Under the property tax cap, all local tax levy increases will be capped at either two percent or the annual increase in the consumer price index, whichever is less.

Voters will still have the opportunity to vote for their school district’s tax levy proposal in May. Districts cannot go above the cap unless they receive the approval of 60 percent of the voters in the budget vote.

The law also includes a number of mandate relief measures to help school districts and localities further reduce costs. The measures are expected to save \$127 million annually.

Passing the property tax cap was critical to ease Long Island’s crushing property tax burden which is driving families and businesses off the Island.

### **On-time budget which cuts spending, creates jobs, and puts New York back in the right direction:**

Senator Fuschillo voted “yes” on an on-time State Budget which addressed several key priorities needed to put our state back in the right direction: cutting spending, creating jobs, and holding the line on

taxes.

The state budget closed a \$10 billion deficit without raising taxes. Overall state spending was reduced by two percent from the previous fiscal year, state operations expenditures were reduced by ten percent, and state agencies were consolidated to improve efficiency. Just as families all across Long Island have been forced to do, New York State made the tough choices, tightened its belt, and did more with less.

Additionally, the budget created a permanent “Recharge NY” program to help businesses create and retain jobs by providing them with low-cost power.

The budget also contained funding for a number of important priorities, including \$29.5 billion in total state funding for education, libraries, programs for individuals with disabilities, and the STAR tax relief program.

**Repealing the MTA Payroll Tax:**

Senator Fuschillo cosponsored legislation to repeal the burdensome MTA payroll tax which has devastated businesses, municipalities, non-profits, and schools. Under the legislation, the payroll tax would be phased out for all Long Island employers starting January 1, 2012. Long Island payroll tax rates would be reduced to .23 percent in 2012, further reduced to .12 percent for 2013, and fully repealed as of January 1, 2014. Long Island small businesses with 25 or fewer employees, as well as public and nonpublic schools, would be fully exempt from the payroll tax effective January 1, 2012. The legislation has been passed by the Senate.

**Economic Development at Broad Hollow Bioscience Park:**

This law, which Senator Fuschillo authored, will allow Farmingdale State College to enter into lease negotiations to expand the Broad Hollow Bioscience Park (BHP), a move which is expected to create hundreds of jobs and generate tens of millions of dollars in new revenue. BHP is a biotechnology research park located on Farmingdale State College’s campus which has served as a home to a number of biotech companies and provided new educational opportunities for Farmingdale State College students. Once completed, the expanded BHP will serve as an incubator to small biotech companies, create an estimated 787 direct and indirect jobs, and generate an estimated \$50 million in payroll for Long Island’s economy.

**Creating Permanent Tax Benefit for Commuters:**

This legislation would create a permanent, \$230 a month state tax benefit to help commuters offset their mass transit expenses.

Current federal and state law allows employers to let their workers set aside up to \$230 a month of their pre-tax salary to cover commuting expenses through mass-transit, including the Long Island Rail Road. However, this \$230 tax benefit is not permanent. Congress raised the monthly benefit to \$230 from \$120 for 2010 and extended it at that level again until the end of 2011. If Congress does not authorize another extension, the benefit would revert back to its original \$120 limit. Since the state’s benefit is tied to the federal benefit, commuters would see both their state and federal benefits cut in half if Washington does not approve it.

Senator Fuschillo’s legislation makes the \$230 state benefit permanent, ensuring that commuters would still receive the state tax benefit regardless of whether Washington continues the federal program. The legislation has been passed by the Senate.

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