




NEW YORK STATE SENATOR

Catharine Young

Senator Young Votes to Cut Taxes Across the Board

CATHARINE YOUNG December 7, 2011

| ISSUE: **TAXES**



**A TAX CUT FOR 4.4 MILLION HARDWORKING TAXPAYERS.
A TAX CUT FOR 290,000 SMALL BUSINESSES.**

REAL RELIEF.

**THE
MIDDLE CLASS TAX CUT & JOB CREATION PLAN**

ALBANY – Senator Catharine Young (R,C,I – Olean) today voted for a \$3.3 billion tax cut that will help grow jobs.

“Everyone who pays state personal income taxes gets a break no matter which tax bracket. People will keep more of their hard earned money in their paychecks,” said Senator Young.

“Small businesses and upstate manufacturers will gain much-needed tax relief so they can grow private sector jobs,” she added.

“It will help family budgets while giving a real boost to the economy,” Senator Young said.

“In fact, after these tax cuts, middle income earners will see the lowest state personal income tax in 50 years. They will have more money to spend, save or invest,” she said.

“High taxes have hurt our economy by making our state hostile to business growth. This legislation slashes the corporate tax rate on upstate manufacturers in half to help them add more jobs,” Senator Young said.

“The reduction in the personal income tax also helps thousands of small businesses, especially those who file as S corporations. Small businesses are the backbone of our local economy,” she said.

“Improving our business climate will get people back to work, add more jobs, and establish career opportunities so our young people can stay after they graduate,” Senator Young said.

Economic growth advocacy groups including the Business Council, Unshackle Upstate, the National Federation of Independent Business, and the Farm Bureau enthusiastically have endorsed this new law, she said.

“By working together in a bipartisan way, we have gotten great results. We cut taxes, eliminated this year’s \$10 billion deficit, brought spending under control, and capped property taxes,” Senator Young said.

“It is a major step forward, and I will continue to push for more initiatives to grow the economy and give relief to taxpayers,” she said.

Highlights of the Middle Class Tax Cut and Job Creation bill include:

MIDDLE CLASS TAX CUT

Approximately 4.4 million middle-class taxpayers will receive \$690 million in personal income tax relief, allowing them to save, spend and invest more of their hard-earned money. After these tax reforms are implemented, middle-class taxpayers will pay the lowest tax rate in more than 50 years.

MTA PAYROLL TAX REPEAL

This plan repeals the devastating MTA payroll tax for about 78 percent, or more than 704,000, of the business entities that currently pay it. This includes eliminating the tax for 290,000 employers with payrolls of less than \$1.25 million; 415,000 self-employed taxpayers; and all public and non-public schools.

“I want to thank Senator Lee Zeldin for all of his efforts to repeal the MTA payroll tax,” Senator Skelos said. “Senator Zeldin has focused on this issue, he made repealing the tax his top priority, he sponsored legislation the Senate passed this year to get rid of it. Every downstate Republican Senator kept up the pressure and today we are finally eliminating the MTA payroll tax for the vast majority of businesses impacted by it.”

TAX CUT FOR MANUFACTURERS

The corporate tax rate on manufacturers outside of the MTA region will be cut in half, providing \$25 million in tax savings, a major boost for job creation. Senate Republicans have

long championed lower taxes for New York's manufacturers as a way to create jobs.

ELIMINATE TAX INDEXING

Under the provisions of this bill, income brackets and the standard deduction will be adjusted for the rate of inflation, eliminating "bracket creep," and providing about \$440 million in tax savings over two years for every New Yorker that pays the personal income tax.

PERSONAL INCOME TAX SURCHARGE ELIMINATION

The bill eliminates the PIT surcharge, enacted by Democrats in 2009. Ninety-one percent of taxpayers currently impacted by the surcharge will receive a tax cut. Rates would revert back to the lower rate they paid prior to the enactment of the surcharge.

FLOOD RELIEF

\$50 million in additional relief will be provided for areas affected by the recent flooding. A job retention tax credit will also be extended to businesses harmed by a natural disaster within the last year.

CAPITAL INVESTMENTS AND JOB CREATION

A new \$1 billion infrastructure fund has been established to rebuild roads, bridges and other infrastructure, and encourage the creation of thousands of related jobs. These investments are expected to leverage \$10 billion in capital investments. Projects immediately expedited

through the infrastructure fund total \$2.6 billion.

Specific investments by the infrastructure fund include replacing bridges, rehabilitating dams and flood control infrastructure, rebuilding water systems, renovating parks and projects that support regional economic development plans.

INNER-CITY YOUTH EMPLOYMENT

The bill includes \$37 million in funds for job readiness training for inner-city youth and provides \$25 million in tax credits for employers who hire unemployed youth.

SETTING ASIDE MORE MONEY IN RESERVES

The plan sets aside \$1.5 billion, completely unspent and held in reserve for economic uncertainties and to help support: job creation; local government mandate relief; ensure funding for education and health care; and closure of budget gaps.