



NEW YORK STATE SENATOR

Mark Grisanti

Middle Class Tax Cut And Job Creation Plan

MARK GRISANTI December 28, 2011

| ISSUE: **ECONOMIC DEVELOPMENT**

In stark contrast to the gridlock in Washington D.C., the Senate Republican Majority has worked together with Governor Andrew Cuomo to accomplish major changes and positive reforms this year. The new Middle Class Tax Cut and Job Creation Plan will build on these successes by cutting taxes for hardworking middle class families, and helping to create new private sector jobs.

Middle Class Tax Relief:

The plan cuts taxes for 4.4 million hardworking taxpayers. It includes:

Boosting Job Creation:

To further the Senate Majority's key goal of strengthening our economy and creating new jobs, the plan:

Cuts the corporate tax on upstate manufacturers in half -- providing a major boost for job creation;

Supports the New York Works Initiative -- an infrastructure investment fund designed to create jobs through development of highways, bridges and major construction projects;

MTA Payroll Tax relief for small businesses; and

Provides job training for young New Yorkers.

Help for Small Businesses -- MTA Payroll Tax Cut:

The package delivers on our longstanding goal of derailing the job-killing MTA Payroll Tax. It includes:

\$250 million in new tax relief through elimination of the MTA Payroll Tax on most small businesses;

Elimination of this job-killing tax for more than 290,000 small businesses throughout the 12 county MTA region; and

81% of all impacted businesses will see the tax completely eliminated.

Flood Relief:

The plan establishes the New York State Flood Assistance Program, which includes:

Up to \$50 million in direct, new funding for flood relief;

Targeted grants to spur economic recovery and protect jobs by helping small businesses, farms, and non-profits address flood-related losses;

Up to \$9 million to fund local flood mitigation efforts; and

Funding for financial relief to counties impacted by flooding.

Fiscal Responsibility:

In addition to providing a major head start on next year's budget, the plan sets aside \$1.5 billion in a special 2012 Priority Reserve

Fund to help meet future needs, including:

Supporting job creation and economic development;

Delivering local mandate relief; and

Supporting education funding – helping schools and property taxpayers.

\$3.3 billion in total tax relief;

New \$690 million tax cut for middle class New Yorkers;

\$2 billion in tax relief for hardworking families that were affected by the PIT hike passed by Senate Democrats in 2009;

\$250 million in new MTA Payroll Tax relief; and

Elimination of New York's notorious "stealth tax" by indexing tax brackets and deductions, saving taxpayers \$130 million in 2013 and \$309 million in 2014.