



NEW YORK STATE SENATOR

Andrew J. Lanza

## Senate Passes "New Jobs-NY" Job Creation Plan

ANDREW J LANZA May 31, 2012

The New York State Senate has voted on the 2012 NEW JOBS-NY Job Creation Plan. The Senate's comprehensive plan will help create thousands of new private sector jobs by delivering tax relief to small businesses and manufacturers, reducing energy costs, and enacting major fiscal reforms to make New York State more economically competitive. The bill is co-sponsored by Senators Lanza and Savino.

"Improving the economy for Staten Island families must be one of our highest priorities. This legislation provides targeted tax relief in a way which will create thousands of jobs right here in New York." Said Senator Andrew Lanza "It will put us back on track and stop the New York jobs exodus, allowing more families to afford to live here."

"Working across the aisle and with the Governor, we are taking another step in the right direction in addressing one of New York's biggest challenges in this recovery, which is job creation." said Senator Diane Savino.

The Senates NEW JOBS-NY plan is supported by business organizations across the state, including the Business Council of New York, Unshackle Upstate, the Manufacturers Association of Central New York (MACNY), the National Federation of Independent Businesses, and the Long Island Business Council. Highlights of the plan include:

- Eliminating Taxes on New York Manufacturers: The plan would spur creation of thousands of manufacturing jobs by eliminating income taxes paid by manufacturers over a three year period (\$495 million in tax relief).
- 20 Percent Corporate Tax Cut for Small Businesses: This cut in the corporate tax rate will save nearly 200,000 small businesses \$49 million.
- 10 Percent Personal Income Tax Credit for Small Businesses: This tax cut would save 800,000 small businesses \$80 million.
- Significant Energy Tax Cut: The legislation accelerates the phase-out of the 500 percent energy tax hike Senate Democrats previously approved in 2009.
- New Incentives for Each New Job Created: The bill includes new job creating incentives that would give businesses a tax credit of up to \$5,000 for each new job they create; up to an \$8,000 credit if the new job goes to someone on unemployment; up to a \$10,000 credit if a business hires a returning military veteran.

- Help for New York's Small Brewers: The plan includes a new Production Credit and Label Registration Credit for New York's vibrant craft brewing industry.
- A new "angel investor" tax credit to encourage investments in start-up businesses.

The overall NEW JOBS- NY job creation plan also includes fiscal reforms to improve New York's business climate. The plan includes a state spending cap; a super-majority vote provision to make any future tax increases more difficult; and new regulatory reforms to reduce red tape for businesses.

### **Job-Creating Tax Cuts:**

The 2012 NEW JOBS NY job creation bill (**\$7448**) which passed last night includes the following provisions:

**ELIMINATE TAXES ON MANUFACTURERS:** Over a three-year period, the legislation would provide manufacturers throughout New York State with \$495 million in tax relief – phasing out the taxes they pay under the State's Corporate Franchise Tax and Personal Income Tax. This unprecedented step would immediately and dramatically improve the competitiveness of New York's manufacturers, create thousands of new jobs, and provide a major economic boost to communities across the state.

**20 PERCENT CORPORATE TAX CUT FOR SMALL BUSINESSES:** The plan would provide small businesses with a 20 percent reduction by cutting the "small business corporate tax rate" from 6.5 percent to 5.2 percent. It would also virtually eliminate the fixed dollar minimum for small businesses. This \$49 million tax cut, which would impact almost 200,000 small businesses, would make our state more competitive and help create thousands of new jobs.

**SMALL BUSINESS JOBS CREDIT:** The plan would also provide a 10 percent tax credit for about 800,000 small businesses that have at least one employee, have business income of less than \$250,000, and that file under the personal income tax. This tax credit would help encourage new job creation by saving small businesses \$80 million.

**ELIMINATE 500 PERCENT ENERGY TAX HIKE ENACTED IN 2009:** The new Energy Tax Cut would accelerate the phase-out of this huge tax hike by one year, from 2014 to 2013. By cutting taxes earlier than previously scheduled, we will deliver \$522 million in relief and give a major boost to New York's economy.

**BREWER'S PRODUCTION CREDIT AND LABEL REGISTRATION CREDIT:** In response to a recent NYS Supreme Court order which hurt a number of New York's craft brewers, the legislation would allow a credit to small brewers for the first 200,000 barrels of beer brewed in New York, and a \$150 credit for each beer label registered with the NYS Liquor authority (only for beer labels where less than 1,500 barrels are produced annually in New York.)

**ENCOURAGE JOB-CREATING INVESTMENT IN START-UPS:** The legislation includes a new “angel investor” tax credit program to help ensure that promising business start-ups have access to the investment capital they need to grow and expand. This provision would create an “Angel Investor” program with a pool of \$7 million and also create a 35 percent angel investor credit for those businesses that donate funds to the pool.

**STRENGTHEN THE FILM PRODUCTION INDUSTRY:** The legislation provides support for New York’s film production industry by increasing the post-production tax credit from 10 percent to 30 percent.

**“HIRE-NOW-NY” TAX INCENTIVE:** Our *Hire-Now-NY* proposal includes direct incentives to encourage businesses to begin expanding their workforce again. For each new job they create, a business would get a tax credit of up to \$5,000.

**MOVING FROM UNEMPLOYMENT TO THE WORKPLACE:** The *Hire-Now-NY* tax incentive would increase to up to \$8,000 if the employer hires someone who is currently unemployed.

**“HIRE-A-VET” ENHANCED CREDIT:** The Senate job creation plan would provide an enhanced tax credit of up to \$10,000 to any business that hires a veteran returning home from military service.

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