



NEW YORK STATE SENATOR

James S. Alesi

Senator Jim Alesi / Senate Pass “New Jobs-NY” Job Creation Plan

JAMES S. ALESİ June 1, 2012

| ISSUE: **ECONOMIC DEVELOPMENT, SMALL BUSINESS, ENERGY FOR SMALL BUSINESS, JOBS & EMPLOYMENT**

Controlling Spending – Cutting Taxes – Creating Jobs



THE 2012 NEW JOBS-NY JOB CREATION PLAN

Senator Jim Alesi joined members of the Senate Wednesday to pass 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.

“Small businesses and manufacturers form the foundation of a healthy economy,” said Senator Jim Alesi, Chairman of the Senate Committee on Commerce, Economic Development and Small Business. “Cutting taxes for New York’s business community will help provide job opportunities for tens-of-thousands of people, significantly reenergizing our economy and improving our quality of life. The 2012 New Jobs – New York Plan expands upon my efforts to include tax cuts and job incentives in this year’s

budget, and presents a comprehensive approach to economic growth and job creation in communities throughout the Rochester area and across New York State. This plan seizes our momentum and continues to move New York in a positive direction toward economic prosperity.”

“New York is headed in the right direction, but we have to do even more so the job creators can put more New Yorkers to work,” Senate Majority Leader Dean G. Skelos said. “The business tax cuts we are proposing would put more money back into the pockets of small businessmen and women so they can invest, grow and hire more employees. Senate Republicans are taking action to stoke the fires of job growth so we can really get our economy moving. This is absolutely the right time to cut taxes and create jobs.”

Besides working diligently with Governor Cuomo and Senate Leadership, Senator Alesi has been successful in securing support from New York’s powerful business organizations. “It is essential that business leaders are involved in the process,” said Senator Alesi. “I am grateful for their efforts and input in making this plan as comprehensive as it is. I have always believed that the keys to a successful economy are providing businesses and manufacturers a framework in which to operate, and then encouraging business owners, through business-friendly policies and regulations, to attract new customers and create new jobs.”

The 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), and the National Federation of Independent Businesses.

Heather Briccetti, President and CEO of The Business Council of New York State, Inc. said: "We applaud the Senate Majority's continued focus on reducing the cost of doing business, lowering the state's business burden on business, and reducing the cost of creating jobs. This package focuses on key sectors and emerging industries, and will promote new private sector investments and critically needed new jobs."

Mike Durant, State Director of the National Federation of Independent Business, said:

"The past few weeks have seen continuous discussion in the other house on issues that not only harm small business, but hurt those that seek meaningful employment. This legislation is aimed at real problems and reaffirms the Senate Majority's commitment to revitalizing our economy and helping spur new and innovative economic development opportunities. Simply, this is another step in the right direction for New York. From helping reduce taxes on manufacturers to an accelerated reduction on stifling energy costs, Majority Leader Skelos and his colleagues are continuing to put the needs of New York's unemployed and small business owners first."

Brian Sampson, Executive Director of Unshackle Upstate, said: “Unshackle Upstate supports the ‘2012 New Jobs-NY Job Creation Plan’ recently introduced by Senate Majority Leader Skelos. Our organization has consistently called for much-needed tax cuts for the businesses and taxpayers across Upstate and we are particularly pleased with the Senate’s commitment to reducing taxes on our manufacturers and eliminating the onerous, hidden 18a energy surcharge a year earlier than expected. After weeks and months of endless talk about raising the cost of business in New York, we now call on the Assembly to introduce and pass this bill to help boost private sector job growth, get our economy back on

track, and demonstrate to the world that we are truly serious about changing the reputation of the state.”

MACNY President Randy Wolken said: "For years, MACNY has stated the way Albany treats its manufacturing community will have significant impact on the state's overall well being, and I am pleased to see the Senate Majority has listened and acted on our message. Eliminating costly and burdensome taxes including the corporate franchise tax will allow for the state's manufacturing community to invest their dollars in more productive and necessary areas to help foster statewide growth: supporting and adding good paying family supporting jobs, making significant capital investment in their businesses and investing dollars back into their communities. This is a big day for manufacturers statewide, and I applaud the Senate Majority for their leadership on this significant investment in our state's manufacturing community."

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 – 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. More specifically, the 2012 NEW JOBS-NY job creation bill ([S7448](#)) passed Wednesday’s includes the following job-creating tax cuts:

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 SENATE DEMOCRATS 500 PERCENT ENERGY TAX HIKE: In 2009, Senate Democrats hurt New York's economy by enacting a dramatic 500 percent hike in the 18a assessment that New Yorkers pay on utility bills. This disastrous tax hike took \$1.7 billion out of the economy and chased businesses and jobs out of New York.

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.

Over the past year and a half, Senator Alesi's efforts as Chairman of the Senate Committee on Commerce, Economic Development, and Small Business have successfully led to initiatives to improve New York's economy including:

- > Passing two consecutive on-time state budgets;
- > Closing approximately \$13 billion in budget deficits -- without raising taxes or fees;

- > Reducing state spending for two consecutive years;
- > Cutting taxes on small businesses;
- > Enacting a landmark property tax cap;
- > Enacting the Recharge-NY power-for-jobs plan and the Power-NY (Article X) power plant siting law;
- > Cutting taxes for middle class families and reducing tax rates to the lowest level in more than half a century; and
- > Helping to launch the NY-Works initiative to revitalize New York's infrastructure.

####