



NEW YORK STATE SENATOR

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## New Laws Taking Effect January 1, 2014

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### *Business Tax Cuts, Family Tax Relief, Health Care Measures Among New Laws Taking Effect*

Hundreds of thousands of small businesses and manufacturers in New York will see a reduction in their state taxes as a result of new tax cuts that take effect on January 1, 2014. In addition, tax relief for hardworking, middle class families, new health care protections, and the START-UP NY economic development program are among the new state laws that take effect on New Year's Day.

**Small Business Income Tax Reduction** – Starting next year, hundreds of thousands of small businesses that pay under the state's personal income tax will see a \$35 million tax reduction this year. This is the first year of a three-year tax cut phase-in. Over the next three years, this tax cut will save small businesses \$140 million that they can use to reinvest in their businesses, to grow and create new jobs.

**Tax Relief for Manufacturers** – Beginning January 1st, the state's corporate tax on manufacturers will be reduced by almost 10 percent, saving about 13,000 manufacturing companies \$30 million in 2014, and a cumulative, three-year total of \$120 million by 2017-18 when the tax reduction is fully phased-in. This change will reduce costs for manufacturers and enable them to be more competitive.

Both the small business and manufacturer's tax reductions were part of the Senate Republicans' Blueprint for Jobs program and were included in the 2013-14 state budget.

**Family Tax Relief** - Another Senate Republican tax relief initiative that starts next year is the Family Tax Relief program which will provide middle class families with a total of \$375 million in tax relief in 2014, and more than a billion dollars total by 2017. Over the next three years, each New York family with at least one dependent child and a household income between \$40,000 and \$300,000 will receive \$350 in direct tax relief.

**START-UP NY Economic Development Program** – The START-UP NY program begins on January 1st – this program will create tax-free areas around the state's colleges and universities. Tax-free areas will encompass vacant land or space on the campus of SUNY schools and community colleges. Under the program, businesses will be exempt from virtually all taxes for 10 years, including corporate and personal income taxes, sales, use and property taxes. Businesses will not be eligible if they compete with existing businesses in the community that are not within the tax-free area.

**Minimum Wage Increase and Reimbursement Tax Credit** – As of January 1, 2014, the state's minimum wage will increase from \$7.25 an hour to \$8 an hour. The increase is coupled with a new Minimum Wage Reimbursement Tax Credit to help offset some of the increased wage costs for businesses.

**Hannah's Law** - This new law will ensure adequate insurance coverage for patients living with conditions such as Eosinophilic esophagitis - a life-threatening illness that makes it impossible to eat most foods. Prior to this law, some insurance companies only covered the cost of administering nourishment via feeding tubes, even if oral feeding was an option for the patient. This bill requires coverage for administering food through feeding tubes or oral feeding.

**Hepatitis C Screening** – Beginning on January 1, a new law will require individuals born between 1945 and 1965 to be offered a hepatitis C screening test when receiving health services from hospital inpatient care or outpatient care. There are an estimated 3.2 million

Americans infected with hepatitis C and 75 percent are people born between 1945 and 1965.