



NEW YORK STATE SENATOR

Timothy M. Kennedy

Buffalo, Rochester Senators Renew Call for Upstate Manufacturing Tax Relief

TIMOTHY M. KENNEDY March 27, 2014

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After Senate and Assembly proposed changes to the Governor's proposals, Kennedy and O'Brien join Buffalo Niagara Partnership and Rochester Business Alliance to renew their call for enhanced state support to boost manufacturing in Upstate New York.

ALBANY, N.Y. – Senators Tim Kennedy of Buffalo and Ted O'Brien of Rochester renewed their call today to keep the upstate manufacturers' tax relief plan, which Governor Cuomo proposed in his executive budget, specifically targeted to manufacturing businesses in Upstate New York, rather than overextending the tax break to downstate.

The upstate lawmakers expressed concern over changes made in the one-house budget resolutions in the Senate and Assembly which altered the original plans to offer tax relief to upstate manufacturers. Leading business groups representing the Buffalo and Rochester areas agree with the urgency to boost manufacturing upstate.

The Governor's executive budget eliminated corporate taxes for manufacturers based in Upstate New York to boost job creation in struggling upstate cities. This proposal would have reduced the corporate income tax rate for upstate-based manufacturers from 5.9 percent to zero in order to foster the expansion of existing companies and encourage businesses to relocate to upstate.

The Senate Majority Coalition budget diluted the tax relief for upstate manufacturers by extending it downstate, while the Assembly also made amendments to the initial proposal. Kennedy and O'Brien are calling for the final budget plan to include tax relief specifically targeted to manufacturers in Upstate New York in order to lift those communities hit hardest by industrial decline over the last few decades. The lawmakers said this proposal is critical to creating good-paying, family-sustaining jobs to revive the middle class upstate.

Senator Tim Kennedy said, "When Buffalo's manufacturing industry was thriving, local families found good jobs in the steel mills and factories, and our communities prospered. Unfortunately, when some factories closed years ago, they left behind vacant industrial properties that are now craving rebirth. This tax relief proposal for upstate manufacturers is urgently needed to return Buffalo, Rochester and cities across Upstate New York to our historic economic strength. Incentivizing upstate manufacturing will bring new life and new jobs to those vacant sites from our manufacturing glory days."

"Any extension of this credit to other areas cannot result in providing weaker tax relief to manufacturers in Rochester, Buffalo, and other upstate communities," said **Senator Ted O'Brien**. "The upstate manufacturing tax break proposal is essential to revitalizing our regional economy."

"The Partnership has long advocated for addressing New York State's high tax burden, and we were especially pleased with the proposed plan for a reduction of the corporate tax rate for Upstate manufacturing to zero, the 20% manufacturer's property tax credit and the phase out of the 18A energy assessment, which has been a longstanding priority for Buffalo Niagara's business community," said **Dottie Gallagher-Cohen, President & CEO of the Buffalo Niagara Partnership**. "One of the focuses of the Governor and Legislature's budget proposals was a tax relief plan for Upstate manufacturers, a target industry of the Buffalo Niagara Partnership and a key part of its economic development efforts. These pro-economic growth

proposals are precisely the types of permanent, broad-based solutions necessary to reduce the tax burden for NYS employers and taxpayers and we are hopeful they will be included in the final budget.”

Rochester Business Alliance President and CEO Sandy Parker said, “The Rochester region and upstate New York have seen a dramatic loss in manufacturing jobs over the past several decades. Economic challenges, regulatory burdens, and high state taxes have all played a role in this decline. However, manufacturing still plays an integral role in the upstate economy and provides some of the region’s highest paying jobs. We need to do everything we can to strengthen our manufacturing base and encourage the creation of more manufacturing jobs. That’s why the elimination of the corporate income tax for upstate manufacturers in combination with the property tax credit and the accelerated sunset of the 18-a energy surcharge as outlined in Governor Cuomo’s executive budget are critical for the economic success of the Rochester region and all of upstate. Rochester Business Alliance encourages the legislature to include these items in the final budget.”

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Senator Timothy M. Kennedy represents the New York State Senate’s 63rd District, which is comprised of the towns of Cheektowaga, the city of Lackawanna and nearly all of the city of Buffalo. More information is available at <http://kennedy.nysenate.gov>.