



NEW YORK STATE SENATOR

Joseph A. Griffo

Senator Griffo's Weekly Column #35: Help For Existing Businesses, Not Just New Ones

JOSEPH A. GRIFFO October 9, 2014

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New York has the dubious distinction of ranking dead last among the 50 states in a survey of business tax climates. The governor's initiative, START-UP NY, represented an out-of-the-box approach to lure jobs here.

However, we simply cannot earmark all of our tax breaks, credits and incentives for new businesses. The strength of an economy comes from existing business, and reducing their competitiveness to new companies can result in too many good jobs being lost.

My colleagues in the Senate Majority Coalition and I have worked hard to reduce the cost drivers that negatively impact companies' bottom line, including undoing part of an ill-sighted energy tax enacted despite my objections in 2009. This year, we eliminated the corporate income tax on manufacturers and cut the rate for other companies. We also eliminated the alternative minimum tax, traded low cost power for job creation and allocated millions to programs that provide on-the-job training for unemployed New Yorkers. We are in the process of removing 2,200 unnecessary regulations, which will generate additional jobs.

I've decided to continue the conversation by introducing an initiative that I call New Start NY. I'll be using this six-point plan to challenge traditional thinking and come up with ways to ease the tax and regulatory burden on businesses.

The centerpiece of my proposal is called New York in 3-D. Our existing companies have what it takes to bring exciting, new ideas from the drawing board to the marketplace. I want to reward companies that generate great, common sense products that are a necessity and will be profitable.

So if you dream it here, you design it here and develop it here, I want your company to receive precisely the same tax-free treatment as any business located in a START-UP NY area. I'm looking specifically for small companies that cannot justify spinning off a separate corporate entity and trying to relocate to a START-UP NY zone just to get the tax breaks.

The New Start NY proposal also includes significant energy tax relief for all businesses, a new relocation credit and an expanded revolving loan fund for equipment purchases, just to name a few.

Certainly, reducing and eliminating these taxes are going to impact the state's own bottom line. But job creation remains a top priority, so I'm proposing we allocate some of our one-time revenues from financial settlements to this initiative. In addition, my colleagues and I have kept state spending growth below 2 percent for three consecutive years. That fiscal restraint will serve us well as our economy grows and generates more revenue for the state.

For more about my New Start NY and New York in 3-D ideas, visit <http://griffo.nysenate.gov>.