



NEW YORK STATE SENATOR

Michael H. Ranzenhofer

New Plan to Provide Billions of Dollars in Tax Relief to Small Businesses, Families and Seniors

SENATOR MICHAEL RANZENHOFER March 16, 2016

| ISSUE: **TAX CUTS, SMALL BUSINESS, SENIORS**

Look for...

Senator Mike Ranzenhofer's
Monthly Column

...In your local newspaper
the third week of every month

Senator Ranzenhofer's column appeared in the Amherst and Clarence Bees on March 16th. As I travel throughout the 61st Senate District, New York's high taxes is the number one concern of residents, from Amherst to Clarence to LeRoy. That's why I am pleased to update you about a new broad-based tax cut plan to provide billions of dollars in real relief.

The plan would cut middle-class tax rates to the lowest level in 70 years, provide new tax savings to prevent seniors from leaving New York, and enact significant tax cuts for small

businesses.

The cornerstone of the plan is a major tax reduction for middle-class families. If enacted, 5 million families, including 770,000 small businesses filing under the Personal Income Tax (PIT), will start to see savings in 2018. When fully implemented, the tax rate will be reduced by 25 percent, saving taxpayers an average of \$897 per year.

Another part of the plan aims to help give more financial security to seniors. Right now, seniors can only claim the first \$20,000 of pension or retirement incomes as exempt income. This new initiative would increase that exempt amount to \$27,000 in 2017, \$34,000 in 2018, and \$40,000 in 2019.

This new tax relief will help more seniors save money and choose to stay in New York during retirement. In the first year alone, it would save seniors an average of \$361.

The third part overhauls the tax structure for our community's job creators and economic engines. In 2013, I successfully pushed for a PIT exemption for small businesses and small farms. Now, I am working to significantly expand eligibility and tax savings. When fully enacted, small businesses and small farms would save \$494 million annually.

The proposal includes any business that files under PIT regardless of how the business is structured and raises the income eligibility threshold from \$250,000 to \$500,000 when the business entity income is less than \$1.5 million. It also reduces the Corporate business income rate for small businesses from 6.5 percent to 2.5 percent over two years, increases the Corporate tax threshold from \$390,000 to \$500,000; and increases the exemption from 5 percent to 15 percent for small business income.

The final section of the initiative addresses energy taxes. In 2013, I pushed for a phase-out of the energy tax assessment, saving ratepayers \$455 million over a five-year period. Under the

new plan, this surcharge would be eliminated at the end of this year, instead of 2018, saving taxpayers \$125 million.

This major tax cut proposal will put more money back into the wallets of hardworking taxpayers. It will also make our community a more affordable place to live and work, and I will be fighting for this plan to be included in the final State Budget.