



NEW YORK STATE SENATOR

Anthony H. Palumbo

Senator Palumbo & Colleagues Unveil Plan to “Reset NY’s Restaurant & Hospitality Industry

ANTHONY H. PALUMBO January 27, 2021



Senator Anthony Palumbo (R,C-New Suffolk) joined his Senate Republican Colleagues this week to unveil a package of legislation to help “Reset New York’s Restaurant and Hospitality Industry.”

Senator Palumbo remarked that the COVID-19 pandemic has presented unique challenges for all New Yorkers and crippled our economy - in particular our restaurants and hospitality businesses in New York State and throughout Long Island. Hundreds of thousands of New Yorkers work in this industry, including many hourly and tipped wage employees, and wait staff, bartenders, and hotel workers have counted heavily toward the state's skyrocketing unemployment numbers since the onset of the pandemic last year. State coffers have also suffered, as the hospitality industry is the number one source of sales tax revenue in New York City, and number two in the state.

“The COVID pandemic and economic shutdown has devastated Long Island's restaurants with many of them on the verge closing their doors for good. These businesses and their employees are hurting and need immediate relief to stave off an economic collapse of the industry,” said Anthony Palumbo. “We need to fully reopen these businesses and provide targeted relief to save our restaurants and thousands of good paying jobs.”

The cornerstone of the package of legislation advanced by Senator Palumbo and his Senate Republicans colleagues includes a comprehensive bill to provide relief to business owners and employers affected by the COVID-19 pandemic. The bill would:

- Exempt small businesses from being penalized with higher unemployment insurance rates due to layoffs resulting from COVID-related, government-mandated closures. The exemption would extend for a period of one year from when they are permitted to return to full capacity;

- Prohibit internet-based food delivery services from charging higher fees than they charged on or before March 1, 2020;
- Provide small businesses additional time to pay monthly sales and payroll taxes, as well as, business and property taxes;
- Offer interest-free loans or lines of credit to small businesses;
- Provide a one year extension for renewal of liquor licenses; and
- Provide businesses a 90 day grace period to pay any fees or penalties due to state and local agencies.

Also included in the plan announced by the Senate Republican Conference were pieces of legislation that would:

- Direct SLA-inflicted fines into a business relief fund to help small businesses get back on their feet;
- Provide for a credit on liquor license renewals for the amount of time bars and restaurants were forced to be shut down due to the COVID-19;
- Create a limited state sales tax exemption for the sale of food and drink at restaurants and taverns from state sales and compensating use taxes and granting municipalities the option to grant such limited exemption;
- Provide a tax check off box that will direct funds into a business relief fund; and
- Create an employee retention tax credit, modeled after the Federal Employee Retention Credit, to help employers keep workers on payroll.

“New York’s restaurants and the hospitality industry are economic engines that not only create excellent cuisine, but employ thousands of New Yorkers and are the number two generator of sales tax revenue for the state,” said Palumbo. “These businesses are too important for the state, localities, our communities and the people they employ to be allowed to wither and die. We must fully reopen our restaurants and help them through these very difficult economic times.”