



NEW YORK STATE SENATOR

Sean M. Ryan

Senator Sean Ryan, Assemblymember Michaelle Solages Announce Bill To End IDA Subsidies For Amazon

SEAN M. RYAN March 2, 2022

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State Legislators and Advocates for Responsible Economic Development Push for an End to Subsidies for Amazon and Companies Like It

ALBANY – Today, March 2, 2022, New York State Senator Sean Ryan and Assemblymember Michaelle Solages were joined by several national and state advocates for responsible economic development as they announced their legislation (S.8418) to prevent industrial development agencies (IDAs) in New York State from providing further subsidies to Amazon and other companies like it.

IDAs were established in the late 1960s to incentivize economic development in localities by attracting businesses and creating jobs. However, the incentives offered by IDAs today often include the waiving of property and sales taxes, resulting in significant loss of revenue for municipalities, school districts, and local transit agencies.

This bill would prohibit New York’s IDAs from offering subsidies for e-commerce storage and transfer facilities, putting an end to incentives that often go to large, multi-billion-dollar corporations with dubious economic growth projections. IDAs in New York have diverted nearly \$400 million in subsidies to Amazon alone since 2013. These subsidies often produce warehouses with mostly part-time jobs that pay \$15 an hour – or about \$31,000 a year – well below the median wage of many municipalities across New York.

In 2021 alone, Amazon received more than \$176 million in subsidies for distribution centers in New York. The e-commerce giant reported \$470 billion in sales in 2021, earning the company \$33.4 billion in profits for the year.

Senator Ryan was instrumental in passing IDA reforms in the FY 2013-2014 State Budget that banned retail projects from receiving tax breaks, mandated more accountability from IDAs, and ensured all tax break agreements include claw-back provisions to enforce job creation promises.

Senator Sean Ryan said, “New York’s taxpayers should not bear the burden of subsidizing massively profitable companies like Amazon – and especially not when those subsidies are buying us low-wage jobs. We need to prioritize high-road economic development in New York, and this bill will help eliminate wasteful spending that benefits multinational corporations at the expense of our local municipalities.”

Assemblymember Michaëlle Solages said, “Each year, industrial development agencies (IDAs) issue millions of dollars in tax exemptions with little oversight, and create too few jobs to justify them. This bill will reduce the massive loss in revenue local governments have to endure when IDAs provide these tax write-offs. E-commerce companies which bring in hundreds of billions of dollars in revenue each year must pay their fair share in taxes if they wish to build their facilities in New York State.”

Senator James Skoufis said, “I’m proud to stand with Senator Ryan in calling for a long overdue end to corporate handouts for warehousing giants like Amazon. These facilities are coming to our state whether they receive IDA incentives or not; they locate in regions where they determine better distribution networks are needed. Yet, my constituents continue shouldering these property tax breaks because IDAs continue to recklessly award these unnecessary subsidies. If the IDAs won’t willingly protect taxpayers and stop providing these handouts, the Legislature must step in and force the issue.”

Pat Garofalo, Director of State and Local Policy at the American Economic Liberties Project, said, “Subsidizing Amazon’s monopoly with public money directly harms local businesses, workers, and taxpayers. New York should set an example for the country by passing S.8418 and cutting off subsidies to Amazon’s warehouse network. Doing so would send a message that New York doesn’t tolerate using public resources to build private, corporate power.”

Ron Deutsch, Director of New Yorkers for Fiscal Fairness, said, “Continuing to subsidize e-commerce companies like Amazon to develop distribution warehouses that they need to build anyway simply makes no logical economic sense. It's a waste of hundreds of millions of public dollars that could be better spent on public services like childcare, home care, and higher education that have far greater returns on investment. Many thanks to Senator Ryan for introducing a bill to end these ridiculous corporate giveaways to one of the world's richest companies.”

Michael Kink, Executive Director of the Strong Economy For All Coalition, said, “New Yorkers agree: We need public investments to build a strong, vibrant economy with prosperity for all of us. But New York's current 'economic development' programs aren't working – they're corrupt and wasteful, and they're making economic inequality even worse. Giving \$400 million in subsidies to the world's most profitable corporation and the world's richest billionaire is a 'prime' example of this failure. We support Senator Ryan and Assemblymember Solages in their effort to stop needless subsidies for Amazon, and we urge lawmakers to redirect these funds into investments like child care, higher education, housing, support for excluded workers, and green jobs that will benefit everyone – not just billionaires.”

Maritza Silva-Farrell, Executive Director of ALIGN NY and leader of the New Yorkers for a Fair Economy coalition, said, “Amazon consistently puts profit over people, and subsidies only reward their growing dominance. We must be investing in the pressing needs of workers, small businesses, and our communities, who pay the price of big tech's unchecked power.”

Jasmine Gripper, Executive Director of the Alliance for Quality Education, said, “New York's leaders need to drop the pretense of 'economic development' in the form of wasteful and unnecessary tax breaks to corporations like Amazon, and recognize that that money would be far better invested, dollar for dollar, in public goods — through programs like universal

child care and public education — instead of diverting those resources away from our communities. Research shows that investment in high quality early childhood is a highly effective form of economic development, with up to \$16 in benefit each year for every dollar spent. Real economic development means investing in New York’s people and communities, not giant corporations like Amazon.”

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RELATED LEGISLATION

2021-S8418

Industrial Development Agencies

- Introduced
- - In Committee Assembly
 - In Committee Senate
- - On Floor Calendar Assembly
 - On Floor Calendar Senate
- - Passed Assembly
 - Passed Senate
- Delivered to Governor

- Signed By Governor

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Relates to prohibiting the use of funds, financial incentives or subsidies where facilities or property are used primarily for e-commerce storage and transfers, or the facilitation thereof

February 28, 2022

In Senate Committee [Local Government](#)

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Do you support this bill?