

Fact Sheet
The 2011 Job Creation and Retention Package
S.1891 (Alesi)

The Senate Republican Conference is advancing a comprehensive plan to improve New York's economy, cut taxes, and help create thousands of new jobs across the State. Elements of the plan include:

- **Job Creation Tax Credit:** The Credit will equal the amount of withholding generated from each new employee that is hired by a New York business. The credit can be claimed for the first 3 years of employment up to \$5,000 for every new job they create. The business can earn an additional \$3,000 credit for the first full year for hiring someone who is collecting unemployment insurance benefits. The Federal Government enacted a similar credit on March 18, 2010 called the "Hire" credit which expired on December 31, 2010. New York delegation members have proposed legislation to extend this credit until July 2011. If the "Hire" credit is extended in combination with the New York Job Creation Tax Credit, a New York company could get a maximum credit of \$12,321 per employee.

- **Small Business Tax Freedom Plan:**
 1. **Tax and Fee Moratorium:** Enact a moratorium on any new taxes or fees on small businesses, manufacturers and farms.
 2. **PIT Rollback:** Accelerate the phase-out of the 2009 personal income tax increase for small businesses by one year. No surcharge for tax year 2011. (\$400 million)
 3. **Corporate Franchise Tax Elimination:** In the first year of the Senate plan, the corporate franchise tax would be cut in half for businesses with 50 employees or less or not more than \$2 million in net income. In the following year, the business tax would be completely eliminated for these businesses. This tax cut would particularly benefit main street businesses, existing small manufacturers, small start-ups and high technology companies. New York State has 18,500 technology companies with an average of 16 employees. There are a total of more than 427,000 small businesses in New York that employ more than 3.9 million people. (\$100 million)

- **Red Tape Moratorium Plan:**
 1. Enact a moratorium on new business regulations and red tape from state agencies. Any new regulations would have to be approved by the Legislature.
 2. Establish a new commission to identify and make binding recommendations on eliminating the most costly and counter-productive regulations.