



NEW YORK STATE SENATOR

Frank Padavan

Padavan Unveils Job Creation and Retention Plan

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New York State Senator Frank Padavan (Queens) and his Senate Republican colleagues today unveiled a comprehensive plan that would stimulate job creation and help retain businesses and employees through tax credits, capping state spending and lessening burdensome regulations and red tape.

“The time to act on creating better environment for new jobs in New York State is now,” Padavan said. “The federal stimulus failed to yield any progress on the jobs front as New York nearly lost 270,000 jobs in the private sector last year. We are putting forth a fiscally responsible and comprehensive legislative roadmap that will help create jobs and new opportunities for small businesses and middle class families. While the Senate Majority talks about having hearings and roundtable discussions on job creation, my Senate Republican and I are standing by a real plan that reduces taxes, caps state spending, eliminates red tape and create thousands of jobs in New York.’

The plan would create a three-year tax credit ranging from \$2,500 to \$5,000 for every new job created by a business in New York. The refundable credit would apply to only new jobs created and would be recurring for three years. The credit would be equal to the amount of tax withholding for each new job making it cost neutral to the state. If a business hires an unemployed worker the credit could grow as much as \$3,000 per job.

“This tax credit is a win-win for New York’s economy,” Padavan said. “It costs nothing to the state as it is taken from withholding taxes and will spur job creation. It provides an incentive to business to help reduce the ranks of the unemployed. Enacting this credit is a common sense step toward really jump starting the job market in New York.”

Additional tax cuts and credits in the package include the elimination of the corporate franchise tax on small businesses and manufacturers with 50 or fewer employees making less than \$2 million in net income and the acceleration of the phase-out of the personal income tax increase on small businesses that are set to expire at the end of next year.

Another key provision of the plan is the establishment of a constitutional cap on state spending. The cap would limit state spending to the Consumer Price Index or 4 percent on a year to year basis. The plan also calls for the enactment of a 5-year

moratorium on any new taxes or fees on small businesses, farms and manufacturers. Another 5-year moratorium would be placed on the enactment of new business regulations and red tape from state agencies. The moratorium on regulations can be only overridden with a joint agreement between the Governor, State Legislature and State Comptroller.

The comprehensive plan calls for the creation of a state commission that will be charged with identifying and making binding recommendations to the Executive and Legislature on the most effective ways on eliminating costly and burdensome state regulations that stifle small business and economic growth throughout New York state.

"The key cornerstones of this plan are stability and growth for New York's economy," Padavan said. "This forward thinking plan will provide certainty and clarity for small businesses as they plan for the future. It allows them to reinvest in their business and hire more employees. It will provide new opportunities for middle class families and all New Yorkers who have been deeply impacted by the recession and growing unemployment. This is a perfect example of the type of plan small businesses have been calling for."

New York's leading small business advocacy group, the National Federation of Independent Businesses of NY (NFIB-NY) has indicated their support of the plan. "Small business is the engine that drives most job creation in our economy--and that will grow us out of this economic mess. Lowering New York's second worst in the nation business tax climate and cost of doing business is really what small business needs to survive and grow, and that's exactly what this job creation plan will do. The proposal put forth today by the Senate Republican Conference is the right recipe for expanding our economy and deserves bipartisan support in both houses of the Legislature," said Mike Elmendorf, New York State Director of the National Federation of Independent Business (NFIB), New York's leading small business advocacy association.