



NEW YORK STATE SENATOR

Martin J. Golden

Senator Golden: Let's Start Hiring People Again in New York State

MARTIN J. GOLDEN January 27, 2010

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GOLDEN JOINS WITH REPUBLICAN COLLEAGUES IN CALLING FOR PASSAGE OF MAJOR NEW JOBS INITIATIVE

New York State Senate Republican Leader Dean G. Skelos and members of the Senate Republican Conference, including Senator Martin J. Golden (R-C-I, Brooklyn) this week announced a major new jobs initiative designed to improve New York's business climate, reduce taxes, and create thousands of new jobs for workers across the State.

The plan's centerpiece would reward businesses with a three-year tax credit, averaging between \$2,500 and \$5,000 for every new job created. It would also eliminate taxes for small businesses and manufacturers that pay the state's corporate franchise tax and roll back the income tax surcharge placed on them last year by Democrats in the budget. It also places a moratorium on new taxes, fees and regulations that are killing private sector job-creation efforts in the state.

"This plan will get people working," said Senate Republican Leader Dean G. Skelos. "It will give businesses small and large real incentives to create jobs and get our economy moving in the right direction. Despite spending billions of dollars in federal stimulus monies, this state is hemorrhaging jobs. Obviously, what this state is doing hasn't been working."

Last year, New York lost 269,000 jobs. This year, Governor Paterson's budget projects that another 40,000 jobs will be lost. Governor Paterson and Democrats last year raised taxes on businesses in this State by \$3.6 billion.

The Republican jobs plan would provide a refundable tax credit averaging \$2,500 up to a maximum of \$5,000 to businesses, manufacturers and other private sector employers for every new job they create. The tax credit would be

recurring for three years and would only be provided for new jobs that expand total payroll, equal to the amount of tax withholding for each new job. For example, a new job paying \$30,000 would provide an employer with a tax credit of about \$1,150. A job paying \$50,000 would provide a \$2,500 tax credit.

That credit could grow by as much as an additional \$3,000 per job if new hires are taken from the ranks of the unemployed who are collecting unemployment insurance from the State. Such an incentive would help reduce unemployment and the costs borne by taxpayers.

Senator Marty Golden stated, “The State of New York has to push back against the tide that we are seeing and hearing about every day, that of more and more New Yorkers being let go from their jobs, because New York companies and businesses just can’t survive in this economy. We have to reverse that trend that is impacting families across this State.”

Golden continued, “As a former small business owner and merchant leader, I understand how jobs are central to the success of a neighborhood, a City and a State. Last year, we lost 269,000 jobs in New York, yet the true cost is unknown. These numbers signify that all of the families of those who are now unemployed, and all of the neighborhoods and businesses where these individuals no longer work, are being asked to do with less. Let’s create incentives, tax credits, and job creation programs, and let’s start hiring people again in New York.”

The proposal applies only to new jobs and employees that don’t currently provide New York with any payroll revenue.

The plan also places a moratorium on any new business taxes and fees and eliminates the corporate franchise tax for hundreds of small businesses and manufacturers with 50 or fewer employees and less than \$2 million in net income. It also accelerates the phase-out of the PIT increase on small businesses that is scheduled to expire at the end of next year.

The jobs initiative would also prohibit the State from enacting any new regulations on New York companies, and create a new Berger-style commission that would have the power to eliminate regulations which are currently hindering businesses.

Senate Republicans said passage of a State spending cap is key to the State’s efforts to create jobs, arguing that putting the brakes on wasteful spending is critical to ensure the resources necessary to invest in important job creation and tax cutting efforts in the future.

In his budget, Governor Paterson cut in half funding currently targeted for job creation. He calls for new tax credits for creating jobs. However, the requirements on businesses are highly restrictive, and he caps the program. The Governor’s Budget Division estimates that fewer than 50 companies might benefit each year.

Business groups were quick to weigh in with praise for the Senate Republican plan.

“Private sector job creation needs to be New York’s highest priority. This plan addresses this vital need by removing barriers to job growth and giving our citizens hope and opportunity. The tax credit for job creation and the moratorium on new regulations and taxes on small business are effective tools to create jobs. New York has lost hundreds of thousands of jobs because the state spends too much and taxes too much. The spending cap in this plan is an important fiscal reform that must be enacted,” said Kenneth Adams, president and CEO of The Business Council of New York State, Inc.