



NEW YORK STATE SENATOR

Martin J. Golden

Senator Golden Joins Senate Republicans in Introducing Job Creation Bill

MARTIN J. GOLDEN March 2, 2010

Incentives Could Create Thousands of New Jobs; U.S. Senate Passes Similar Plan

State Senate Republican Leader Dean Skelos, Senator Marty Golden and members of the Senate Republican Conference announced today that legislation to create thousands of new jobs and turn around the state's economy has been introduced. The jobs plan provides tax credits to businesses that create new jobs, eliminates the state corporate franchise tax for small businesses, and rolls back the personal income tax surcharge that hit small businesses last year.

The jobs bill (S.6959) provides incentives similar to those passed last week by the United States Senate, which also includes a tax credit for businesses that create new jobs.

"Democrats approved a budget last year that spent billions in federal stimulus funds and raised taxes on businesses. The spending and taxing approach only drove jobs away," Senator Skelos said. "This year, Senate Democrats have no jobs plan. They only intend to hold roundtables, which offer more talk, but no action on jobs. People don't want more talk, they want us to reduce taxes and create new private sector jobs. The Senate should pass our bill as soon as possible to demonstrate our commitment to getting New Yorkers back to work."

Senator Golden stated, “This plan empowers businesses by allowing them to keep more money to invest in new jobs. This should provide the tax incentives, then step out of the way and let businesses grow. Even the Democrats in Washington recognize that providing tax incentives to create new private sector jobs is a more effective approach. The federal bill passed with bipartisan support and I hope the Democrats in Albany will join us in passing our bill so we can begin to turn our economy around.”

The Senate Republican plan would save a business thousands of dollars for each new job created. The more a business pays a new employee, the greater the tax benefit. The tax credit would have minimal impact on the state budget because the new jobs would generate revenue for the state, and, if a new employee is hired off unemployment, the credit would be paid for with federal stimulus dollars within the unemployment fund.

The bill passed by the U.S. Senate provides the tax credit only when an employer hires someone who is unemployed. The credit in the state Senate Republican plan does not include that restriction, but does provide an additional tax credit if someone is hired off unemployment.

When combined, the two plans would save employers thousands of dollars for every job they create. For example, under the Senate Republican plan, if a business creates a new job with a salary of \$35,000, it would receive a \$1,487 tax credit. If the business hires someone off unemployment, it would receive an additional \$3,000 credit.

The federal plan would provide that same business a credit of \$1,808 and an additional \$1,000 bonus if the employee is retained for the entire year. When combined, the Republican State Senate and the federal plan would save the business a total of \$10,269 over three years for creating that new job.

"Businesses continue to leave New York State because the government spends too much and taxes too much. In order to keep businesses here and create jobs, the 2010-2011 budget must cut spending and lower the tax burden on New Yorkers," said Senator Golden.

Last year, New York lost 269,000 jobs. This year, Governor Paterson' 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. This year, Governor Paterson has proposed cutting money for economic development programs in half, while Senate Democrats have proposed nothing more than more discussions.

The centerpiece of the state Senate Republican job creation plan 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 with 50 or fewer employees or less than \$2 million in net income that pay the state 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 on businesses.

Last week, the U.S. Senate approved a \$13 billion jobs bill that would allow companies to avoid paying Social Security taxes for the remainder of 2010 on new hires who have been unemployed for at least 60 days. Employers would also receive a \$1,000 tax credit for each new worker who stays on the job for at least a year.