



NEW YORK STATE SENATOR

Jack M. Martins

Senator Martins Votes to Help Long Island Families Through Passage of the Job Creation & Taxpayer Protection Act

JACK M. MARTINS January 20, 2011

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New York State Senator Jack M. Martins (R-Mineola) voted today along with his colleagues in the Senate to bring relief to Long Island families by passing the Job Creation & Taxpayer Protection Act, a three-part plan to encourage the creation of new, private sector jobs and ensure fiscal responsibility.

Among the initiatives of the act is setting a cap on state spending at 2 percent or 120 percent

of the Consumer Price Index (CPI), whichever is lower.

“State government can no longer close its deficit on the backs of the taxpayers. This cap will ensure that the state lives within its budget, easing the burden on taxpayers,” Martins said.

The Job Creation & Taxpayer Protection Act also provides businesses with a three-year tax credit of up to \$5,000 for each new job created. In addition, the plan would 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 by the Democratic leadership in 2009. It also places a moratorium on new taxes, fees and regulations that are killing private sector job-creation efforts in the state.

Furthermore, the credit could grow up 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 is designed to reduce unemployment and costs borne by taxpayers.

“It’s incumbent on us as the leadership of the State Legislature to do as much as we can to create jobs, put people back to work and grow the state’s economy. We are not here merely to tax our way out of difficult economic times as has been the tactic used in the past, but to help New Yorkers by creating jobs and easing the tax burden,” said Senator Martins. “There are many great challenges facing us, but one of the ways we can meet them is by eliminating burdensome regulations that stand in the way of job growth.”

The tax credit acts as an incentive for businesses to hire employees. The temporary job creation tax credit, created with bipartisan support by the federal government last year, expired on December 31. However, legislation has already been introduced in Congress to

renew it. The recently expired federal legislation provided the tax credit if an employer hired a new worker off unemployment. Martins' plan, however, does not have that restriction, although an additional credit would be provided to employers if they hire someone off unemployment.

Should the same federal tax credit incentive be renewed, the two plans, when combined, would save employers thousands of dollars for each job they create. For example, under the Senate Republican's 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 tax credit of \$2,170 and an additional \$1,000 if the employee is retained for a year.

The spending cap also will go a long way toward helping New Yorkers. With the spending cap, a two-thirds "super majority" vote in each house to exceed the cap.

"The cap slams the door on massive increases in state spending and the taxes needed to pay for it," said Senate Majority Leader Dean Skelos (R-Rockville Centre). "The family budget is more important than the state budget and we have to stand up to protect the taxpayers."

In the last two years, the Legislature raised taxes by \$14 billion. "The way to get back to fiscal health is to do what is best for the taxpayers of this state. We have hit the ground running and will continue to work to solve the fiscal problems of our state," Martins said.

Kevin S. Law, President and CEO of the Long Island Association, said, "It's refreshing to see the Governor and the Senator Majority Leader on the same page when it comes to writing a

prescription to cure New York State and Long Island's ailing economies. The combination of a state spending cap and tax credits for businesses big and small, set the right tone so we can grow ourselves back to a healthier economy. I commend Senator Skelos on his leadership."