



NEW YORK STATE SENATOR

Dean G. Skelos

## Senate Passes Bill to Repeal Anti-Job Ida Tax

DEAN G. SKELOS March 9, 2011

### *Bill Mirrors Proposal in Executive Budget*

The New York State Senate today passed a bill (S.2682), sponsored by Senator Mike Ranzenhofer (R-C-I, Amherst), to repeal a burdensome tax on local economic development agencies that hinders job growth and economic investment. The tax, first enacted in 2009, provides a direct obstacle to the ability of Industrial Development Agencies and Authorities (IDAs) to invest in new projects, support local businesses and create jobs.

"After being enacted in the 2009-10 state budget, the cost-recovery tax corroded the efforts of local industrial development agencies to get New Yorkers back to work by taking away economic development money from local communities and sending more revenue to Albany," Senator Ranzenhofer said. "During a time of high unemployment and an economy struggling from a national recession, the cost-recovery tax made a bad situation even worse. Reimbursing economic development agencies for the cost and repealing the unfair tax puts funds back in the right place, in the hands of local community business leaders to entice businesses to locate in the state and create jobs, not in state coffers"

The measure passed today mirrors a proposal included in Governor Cuomo's Executive Budget to remove this tax and restore IDA funding.

“For two years state taxes were raised through the roof and nothing was done to create jobs,” Senate Majority Leader Dean G. Skelos said. “Senate Republicans opposed every tax hike and with this bill we will repeal an ill-advised tax placed on the local agencies that are trying to encourage economic growth. The Governor has proposed the same solution to this issue and the Assembly should act on it as well.”

IDAs facilitate economic development in municipalities throughout the state and are particularly important in spurring growth and investment during times of fiscal hardship. Rather than support the efforts of IDAs to attract, retain and expand business in New York, a law was enacted in 2009 that taxed certain IDA revenues and, in effect, imposed a \$5 million unfunded mandate on local governments.

The bill has been sent to the Assembly.