



NEW YORK STATE SENATOR

John J. Flanagan

## Senate Republicans Announce 2012 New Jobs-NY Job Creation Plan

JOHN J. FLANAGAN March 7, 2012

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### The 2012 New Jobs-NY Job Creation Plan

Senator John Flanagan (2<sup>nd</sup> Senate District) joined with his colleagues in the New York State Senate Republican Conference today to announce the [2012 NEW JOBS-NY Job Creation Plan](#). The plan includes significant tax relief to encourage the creation of new private sector jobs, measures to ensure fiscal responsibility and control state spending, as well as other reforms and incentives to make New York more economically competitive. The plan will be included in the Senate budget resolution to be acted on next week.

“The simple reality is that businesses big and small create the jobs that New Yorkers need and it is essential that our state is working with them. We need to enact measures that help

them succeed and to give them the freedom and the ability to build and grow. That will help our entire economy recover and that will benefit all of our residents,” stated Senator Flanagan.

“Last year, Senate Republicans partnered with Governor Cuomo to begin revitalizing the state’s economy by reducing spending and cutting taxes for businesses and middle class New Yorkers,” Senator Skelos said. “The New Jobs-NY plan will build on that progress by cutting taxes even more, ensuring fiscal responsibility, protecting taxpayers and helping businesses create more jobs.”

Highlights of the Senate Republican job creation plan, which is supported by statewide business organizations, including the Business Council of New York, Unshackle Upstate and the National Federation of Independent Businesses, include:

### **Job-Creating Tax Cuts**

- €€€€ 20% TAX CUT FOR SMALL BUSINESSES:** The plan would provide small businesses with a corporate tax rate cut from 6.85 percent to 5.2 percent – a 20 percent reduction. It would also eliminate the fixed dollar minimum. This tax cut will save close to 200,000 small businesses \$65 million and make our state more competitive and help create thousands of new jobs.
- €€€€ SMALL BUSINESS JOBS CREDIT:** The plan would also provide a 10% tax credit for about 800,000 small businesses that have at least one employee, have business income of less than \$250,000, and that file under the personal income tax. This tax credit would save businesses \$120 million.
- €€€€ ELIMINATE SENATE DEMOCRATS 500 PERCENT ENERGY TAX HIKE:** In 2009, Senate Democrats hurt New York’s economy by enacting a dramatic 500 percent hike in the 18a assessment that New Yorkers pay on utility bills. This disastrous tax hike took \$1.2 billion out of the economy and chased businesses and jobs out of New York. The new Energy Tax Cut would accelerate the phase-out of this huge tax hike by one year, from 2014 to 2013. By cutting taxes earlier than previously scheduled, we will deliver \$600 million in relief and give a major boost to New York’s economy.
- €€€ TUITION RELIEF FOR MIDDLE CLASS FAMILIES:** The Senate Majority wants to ensure that rapidly escalating tuition costs don’t place the dreams of an outstanding higher education out-of-reach for hardworking middle class families across our State. That is why this plan includes new reforms that would link existing tuition tax credits

and deductions to the Higher Education Price Index (HEPI) to help the future workforce of our state get the education they need and deserve.

Under the plan, the current tax deduction would increase from \$10,000 to \$13,820 and the maximum credit would increase from \$400 to \$553.

- €€€ **SUPPORT FOR JOB-CREATING PROJECTS:** The plan also allows Tax Increment Financing (TIF) of local development projects, an innovative and fiscally responsible step to free up investment capital for major job-creating projects.

### **New Incentives For Job Creation**

- €€€ **“HIRE-NOW-NY” TAX INCENTIVE:** Our *Hire-Now-NY* proposal includes direct incentives to encourage businesses to begin expanding their workforce again. For each new job they create, a business would get a tax credit of up to \$5,000 and that credit would increase to up to \$8,000 if the job goes to someone on unemployment.
- €€€ **“HIRE-A-VET” ENHANCED CREDIT:** The Senate job creation plan would provide an enhanced tax credit of up to \$10,000 to any business that hires a veteran returning home from military service.

### **Taxpayer Protection, Fiscal Responsibility and Regulatory Reform**

- €€€ **STATE SPENDING CAP:** The cap, set at two percent or 120 percent of inflation, whichever is lower, would help to ensure fiscal responsibility and provide a better environment for economic growth and job creation.
- €€€ **CONSTITUTIONAL AMENDMENT TO HELP PREVENT TAX INCREASES:** This constitutional amendment would require a two-thirds “super majority” vote, rather than a simple majority, for any tax increase – making it far more difficult to raise taxes.
- €€€ **MORATORIUM ON NEW TAXES AND FEES:** Last year, we closed a \$10 billion budget deficit – without resorting to any new taxes and fees. To continue our efforts to strengthen our economic climate and help create private sector jobs, the Senate Majority is again committed to enacting a new State Budget that avoids any new taxes and fees.
- €€€ **ELIMINATING JOB-KILLING REGULATIONS:** The plan includes repeal of the annual notification provisions of the “Wage Theft Prevention Act of 2010” – a duplicative and costly mandate that the previous Senate leadership imposed on employers statewide. This job-killing measure is a perfect example of unnecessary red

tape that does nothing to help employees, while also hurting businesses and our economy. This part of the plan has already passed the Senate and is in the Assembly awaiting further action.

- €€€ MAKING STATE AGENCIES MORE RESPONSIVE:** For years, many small business owners have expressed concern about unresponsive state agencies – especially when it comes to the permitting process. When someone applies for a professional license or a permit, they should not be left hanging for months on end. The Honesty in Permit Processing Act requires agencies to publicly disclose their response times, and to tell applicants how long they can expect to wait for approval. If approval takes more than 134 percent of the average processing time, applicants would get a refund. This will improve New York's economic climate, empower taxpayers, and help break through bureaucratic logjams.

Heather Briccetti, President and CEO of [The Business Council of New York State](#), Inc. said: "New York needs good paying jobs. The New Jobs NY legislation shows that Dean Skelos and the State Senate leadership are clearly focused on creating them. The program provides much needed tax relief to small businesses, which are the engines of job creation and economic growth throughout the state. We look forward to working with the Senate to ensure that the enacted budget will continue to restrain the cost of government, while reforming major state spending programs, and providing mandate relief that reduces the cost of local government."

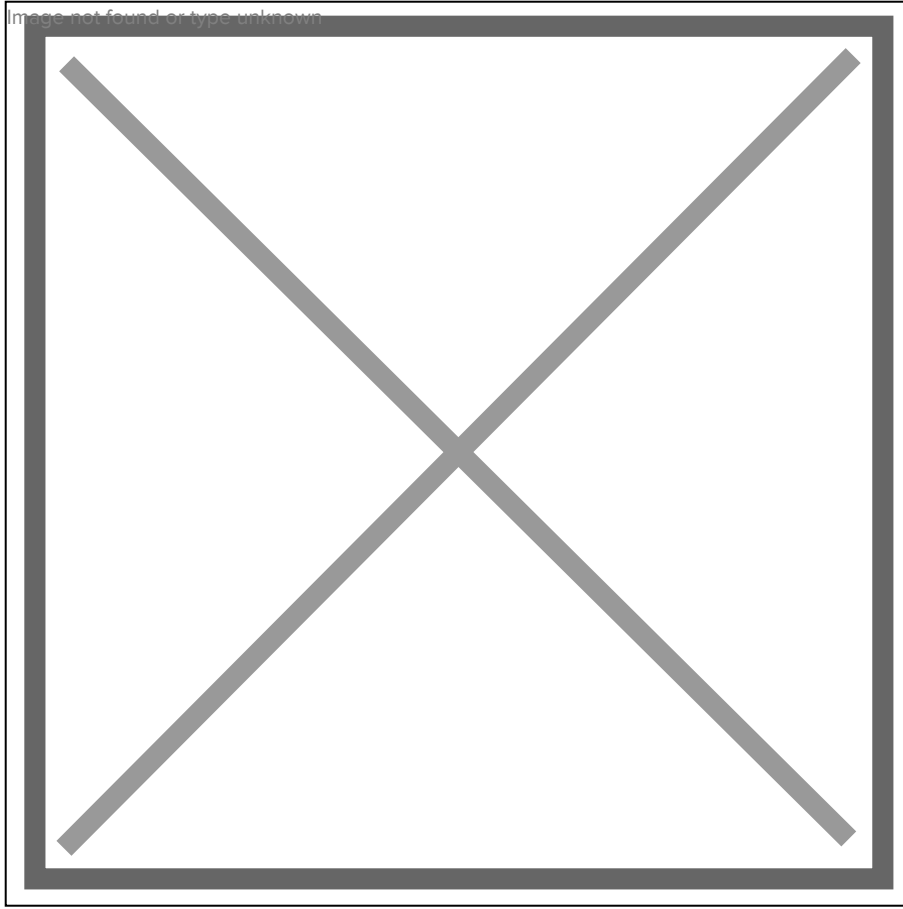
Mike Durant, State Director of the [National Federation of Independent Business](#), said: "This portion of the Senate's budget proposal addresses many of the critical needs of small businesses. I applaud the commitment of Leader Skelos and his colleagues in working to reduce taxes, fees and putting parameters in place to force the state to be financially responsible. These are all critical in repairing New York's dubious business reputation. I look forward to seeing the Senate's budget proposal in its entirety in hope that significant mandate relief is also addressed, such as comprehensive pension reform, to further decrease the substantial burden on taxpayers."

“The Senate Republican’s 2012 job creation plan will build on the achievements of last year when we partnered with the Governor to make state government function again and take significant steps to revitalize our economy and create new jobs,” Senator Skelos said.

Last year’s achievements included:

- Passing an on-time state budget;
- Closing a \$10 billion budget deficit without raising taxes;
- Reducing state spending;
- Cutting taxes on small businesses;
- Enacting a property tax cap;
- Approving the UB2020/SUNY 2020 economic development plan;
- Repealing the MTA payroll tax for 80 percent of the business that paid it;
- Enacting the Recharge-NY power-for-jobs plan and the Power-NY (Article X) power plant siting law; and
- Cutting taxes for middle class families and reducing tax rates to the lowest level in half a century.

“Last year, we were successful in working with Governor Cuomo to take major steps in the effort to rebuild our state’s economy and this plan will continue to build on those successes. Everyone knows that our economy will be better prepared to recover if we enact policies that make our state a more business friendly environment. Businesses need to be confident that New York understands their needs and they need to know that our state is indeed open for business,” added Senator Flanagan.



Please click on image above for Power Point Presentation of the 2012 New Jobs-NY Creation Plan