



NEW YORK STATE SENATOR

Jack M. Martins

From the Desk of Senator Jack M. Martins

JACK M. MARTINS March 12, 2012

| ISSUE: **LOCAL GOVERNMENT, JOBS & EMPLOYMENT**

| COMMITTEE: **LOCAL GOVERNMENT**

The Big Picture

You might be familiar with the tale of the traveler who journeyed through Europe several hundred years ago. He came upon a village where there was a great deal of construction. He walked directly into the activity and asked a stone mason, "Excuse me sir, what's going on here?" The worker replied curtly, "Can't you see? I'm cutting stone." The traveler approached another worker and asked the same question. The second replied, "Can't you see? I'm preparing a foundation." The traveler then approached a third laborer with the same question. The third mason paused and looking up at the edifice, replied, "Can't you see? We're building a cathedral."

I share that story because its lesson can be applied to almost any human endeavor, but especially to our current efforts in Albany. We've been pretty busy so it's natural to view our efforts individually as they unfold. Yet in doing so we may miss the bigger picture and worse, minimize what they mean to the larger goal. I think seeing that big picture is key to maintaining a motivated citizenry.

So let's first look at our own "foundation," if you will. Along with Governor Cuomo, we passed a balanced, on-time budget in 2011 and it looks like we're going to do it again this year. We're actually on target to reduce spending and as important, we're doing it without raising taxes or fees. In fact, we recently reduced taxes for millions of middle-class New Yorkers and reduced our state tax rate to the lowest it's been in 58 years. We also passed a tax cap, eliminated the MTA Payroll Tax for schools and small businesses, and instituted a disciplined approach to providing real mandate relief.

Most of these efforts were about making New York livable again and stopping the tax and spend culture that's driven thousands of our neighbors away to other states. But now we have to give people a reason to stay and that reason must be jobs, jobs, jobs.

It's a daunting task. We must somehow reverse New York's reputation as being unfriendly to business by creating the kind of dynamic environment that not only keeps the businesses we already have, but also attracts new startups. This past week, we released our plan to do so, calling it New Jobs NY. It proposes:

- reducing taxes from 6.5% to 5.2% for more than 200,000 small, New York businesses – saving them about \$65 million that can then be reinvested in expanding their operations.
- a 10% tax credit for small businesses that have at least one employee, have income of less than \$250,000 and file under personal income tax. This would impact 800,000 businesses and save \$120 million.
- accelerating the phase out of the \$1.2 billion energy tax-hike enacted by the former Senate Democratic Majority. Energy costs are a huge drain on local businesses.
- a Hire-Now-NY Tax incentive that provides companies a tax credit of up to \$5,000 for each new job they create, up to \$8,000 if the job goes to someone collecting unemployment, and

up to \$10,000 if they hire a returning veteran.

We also have to make sure our workforce is ready to partner in this effort so our plan calls for some relief from the ever-escalating costs of college education by:

- increasing the current tax deduction for tuition from \$10,000 to \$13,820.
- increasing the maximum credit from \$400 to \$5,333.
- tying existing tuition tax credits and deductions enacted in 2000 to the Higher Education Price Index (HEPI), the inflation index tracking the main costs of higher education.

These reforms will not stem the tide alone. They are incremental, but, by incentivizing small business owners to invest in new hires, they are the first of very real and doable steps that will bring jobs back to New York. As the story of the Cathedral builders exemplifies, every effort does indeed contribute to the larger goal.

Some time ago, in this column, I expressed my belief that a stagnant job market is really at the core of most of our troubles. In theory, we could pay off everyone's credit cards tomorrow and even give everyone a new car, but if people couldn't find rewarding employment with which to pursue their own American dream, it would eventually just all fall apart. I hope you'll agree that New York's focus should be on getting people back to work.