



NEW YORK STATE SENATOR

Joseph A. Griffo

State Senate Passes 2012-13 Budget Resolution

JOSEPH A. GRIFFO March 13, 2012

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Griffo Says Senate Plan Emphasizes Job Creation & Fiscal Responsibility

(Albany)- Senator Joseph A. Griffo (R-C-IP, Rome) said today that the State Senate passed its 2012-13 Senate Budget resolution that aims to control state spending, avoid new taxes, fees and unfunded mandates and helps create new jobs.

The Senate budget, at just under \$132.5 billion, keeps the total state spending increase below two percent, and spends slightly less than the Executive Budget. The budget closes a \$2 billion budget deficit and builds on last year's successes in putting the state's fiscal house in order.

"This budget resolution reflects the current fiscal environment," said Griffo. "It gives us a touchstone as we proceed to getting to a timely and quality budget agreement, as we did last year."

Senator Griffo, who is currently serving on the Senate Budget Subcommittee on Economic Development and Tax Policy, emphasized a comprehensive job creation plan that would cut taxes on businesses; as well as provide additional aid to schools, more mandate relief for localities, tuition help for middle class families and, for senior citizens, more property tax relief and greater assistance for prescription drug costs.

"There are still some points of disagreement between the Assembly, the Executive, and the Senate that will be raised and resolved in the next few weeks," Griffo added. "I still need to see that Budget cuts aren't unfairly concentrated in the Mohawk Valley and the North Country. We've been through too much now, to just accept what Albany decides to take away. We've done our share of sacrifice."

Highlights of the Senate's fiscally responsible budget resolution include the following:

Job Creation and Helping Small Businesses

> A 20 percent tax cut for small businesses: reducing the corporate tax rate for small businesses from 6.5 percent to 5.2 percent and eliminating the fixed dollar minimum; this would save almost 200,000 small businesses \$65 million;

> A 10 percent tax credit for 800,000 small businesses that pay under the personal income tax will save them \$120 million;

> Accelerating the end of the 500 percent energy tax increase imposed by Senate Democrats from the current expiration date in 2014 to 2013 will save \$300 million dollars, especially for energy-intensive industries such as manufacturing and agriculture;

> An innovative new tax financing plan to free-up investment capital;

> A new job creating incentive would give businesses a tax credit of up to \$5,000 for each new job they create; or up to an \$8,000 credit if the job goes to someone on unemployment; or up to a \$10,000 credit if a business hires a returning military veteran; and

> Tying existing tuition tax credits and deductions enacted in 2000 to the Higher Education Price Index to provide tuition relief for middle class families and ensure that assistance keeps pace with the increasing costs of higher education.

> Enacting a two percent state spending cap;

> Requiring a super-majority vote to increase state taxes;

> Placing a moratorium on new taxes and fees; and

> New regulatory reforms to cut expensive red tape for businesses.

Medicaid Reform

The Senate plan accelerates the Governor's proposal to freeze the growth of the local contribution of Medicaid expenditures by beginning the phase-in period in 2012 (Executive proposes 2013), saving counties \$170 million over the next two years.

Mandate and Property Tax Relief

The Senate budget resolution rejects any proposed mandates and costs shifts to localities. It also includes municipal finance reform incentive aid to provide property tax relief for homeowners and mandate relief for localities including reforms to the pension system.

Aid to Education

The Senate budget restores \$200 million in school aid cuts mainly targeted to low wealth and upstate rural districts by reallocating proposed spending.

Assistance for Senior Citizens

Under the Senate budget plan, senior citizens eligible for the Enhanced STAR program would receive \$275 million in direct property tax rebate checks.

In addition, \$48.2 million would be used to restore the Elderly Pharmaceutical Insurance Coverage Program (EPIC) to reduce copayments for seniors to a maximum of \$20.

Funds to Fight Federal Defense Cuts

Griffo said that \$5 million was included in the Senate version of the 2012-2013 budget to protect Upstate New York defense installations such as Fort Drum in Watertown, the Air Reserve Station in Niagara Falls and Rome-area assets that include the Eastern Air Defense Sector and Defense Finance Accounting Service, from possible cuts in the upcoming Base Realignment and Closure process by the Department of Defense.

“Earlier this year, the Governor asked both Senators and Assemblymembers to get out of their comfort zones and do what was best for New York,” Griffo finished. “What’s best for New Yorkers is a balanced budget that encourages job retention and creation, helps stimulate the State’s economy, protects municipal governments from mandates and diverts fairer funds to poorer school districts.”