



NEW YORK STATE SENATOR

Mark Grisanti

## SENATE REPUBLICAN BLUEPRINT FOR JOBS: ReThink. ReVitalize. ReBuild.

MARK GRISANTI March 11, 2013

| ISSUE: **ECONOMIC DEVELOPMENT**



Senate Republican Conference Leader Dean Skelos and members of the Senate Republican conference today announced a bold and sweeping job creation plan to improve New York's business climate so it not only keeps up with other states, but surpasses them. Among other things, the "Senate Republican Blueprint for Jobs: ReThink. ReVitalize. ReBuild." would cut taxes for one million small businesses and reduce energy costs for every business and

residential ratepayer in New York, saving them \$2.5 billion.

"There's been much discussion at the Capitol about a lot of different issues, but when the members of our conference are in their districts, the issue they hear the most about is jobs," Senator Skelos said. "Helping businesses to create new private sector jobs has to be priority one. Other states are taking major steps to attract new businesses. With our plan, we would make New York much more competitive by reducing taxes on small businesses and manufacturers, cutting energy costs by allowing the utility tax surcharge to expire, and eliminating burdensome and redundant rules that inhibit job growth. If we lower the cost of doing business here, the businesses, jobs and people will follow."

Senator John A. DeFrancisco (R-C-I, Syracuse), Chair of the Senate Finance Committee, said: "The key to revitalizing our State's economy is to improve the business climate. Our job creation plan offers a combination of tax cuts, reduced regulations, and other incentives, which will encourage businesses to locate, remain, or grow in New York State."

Senator Patrick Gallivan (R-C-I, Elma), said: "The last two years have shown that state government is capable of reversing decades of dysfunction and again working on behalf of the people. Now New York State must focus its attention on its most central challenge – transforming our economy into one where existing businesses can grow and new businesses want to locate. A long history of regulations, mandates, and taxes on private business has created one of the worst climates in the nation for private sector development. The Senate Republican Blueprint For Jobs is a set of common sense, pro-growth reforms that will create jobs, attract investment, and move our state forward through tax cuts, spending restraint, extensive regulatory reform, and targeted investments in our workforce."

The "Senate Republican Blueprint for Jobs" plan would provide:

- A Tax Cut for One Million Small Businesses
- Tax Relief for Manufacturers
- Lower Energy Bills for Every New Yorker and Every Business
- Sweeping Reforms to Cut Red Tape and Bureaucracy
- Job Training to Help New Yorkers Secure Good, High-Paying Jobs
- Common-Sense Budget Reforms
- Investment Funding to Help Launch Start-Ups
- Incentives to Revitalize Downtowns and Main Streets
- Help for New York's Veterans to Secure Good-Paying Jobs
- Key Reforms To Reduce the Cost of Doing Business

Heather Briccetti, President and CEO of The Business Council of New York State, Inc. said, "The budget plan put forth today by the Senate Republicans is clearly designed to control state spending and create good-paying jobs. If we are to improve the state's economy and create more private-sector jobs we need to reduce the cost of doing business in New York through tax cuts, fiscal restraint, regulatory reform, and targeted investments in our workforce. "

Brian Sampson, Executive Director of Unshackle Upstate said: "Unshackle Upstate has long advocated for lowering the tax burden in order to help our Upstate manufacturers and small business owners. This proposal advances sensible tax cuts, the elimination of the surcharge on the 18-A energy tax, the repeal of the Wage Theft Prevention Act's annual notification

requirement and the implementation of a state spending cap. We support these measures as they will help boost job growth and strengthen our economy.”

Mike Durant, State Director of the National Federation of Independent Business (NFIB) said: “This job creation plan injects significant fiscal relief for small business and is a commitment to drastically changing the economic trajectory of New York. It incorporates many of the top legislative priorities for NFIB by drastically reducing taxes and providing needed regulatory reform. This is exactly what small business needs in this State.”

Manufacturer’s Association of Central New York (MACNY) President Randy Wolken stated: “This past week, manufacturers from across the State convened in Albany to let legislators know that in order to strengthen our critical sector and the economic strength we provide, a better business climate is needed, with lower costs of doing business. Senate Republicans clearly heard this message. With their proposal of a repeal to the 18a tax, in addition to elimination of the corporate franchise tax for manufactures, they are clearly proposing a budget version that is business friendly, helps create a better business climate, and creates a platform that will enable manufacturers and businesses help get our State back on track.”

The state’s revenues are projected to increase by more than \$200 million. Senate Republicans are recommending that, rather than spend new revenues, the additional funds should be invested in business and job growth to strengthen the state’s economy more rapidly and create new jobs at a faster pace.

“A critical part of our job growth plan is a constitutional amendment for a two-percent spending cap to ensure that New York maintains fiscal responsibility,” Senator Skelos said. “We’ve reduced spending in the last two budgets and we need to keep that spending restraint going so we can reinvest in our economy and make us more competitive with other states.

By working with Governor Cuomo over the last two years, New York State has saved approximately \$18.6 billion by adhering to a self-imposed spending cap of two percent.

According to the Governor's January 2013 estimates, state operating revenue will increase by 9.5 percent from SFY 2013-14 to SFY 2016-17 with a possibility of revenue growth even higher than that. Revenue growth is expected to grow by an average of 3.1 percent over the three years following SFY 2013-14. Unfortunately, state operating spending is expected to grow by nearly 12 percent, or an average of 3.8 percent, over that same period.

Senate Republicans have repeatedly passed legislation to establish a spending cap, but the Assembly has not acted on it. Over the past two years, the state has saved \$18.6 billion by adhering to a self-imposed two percent cap. By making a cap permanent going forward, New York will save \$11.2 billion over the next four years.

As revenues improve, many other states are proposing bold tax cut plans. The Governors of Nebraska and Louisiana have proposed eliminating income taxes on residents and corporations. The Governor of Kansas is proposing a major personal income tax cut. Other states that have either begun to reduce income taxes or are seriously considering significant tax cuts include: Indiana, Oklahoma, Missouri, Michigan and Ohio.

The Senate Republican plan would eliminate the Corporate Tax entirely for small businesses over the next four years, saving 200,000 small businesses more than \$250 million. The Blueprint for Jobs would also provide 800,000 small businesses that pay under the personal income tax (PIT) a 10- percent PIT exemption for business income, and eliminate the Corporate Tax entirely for manufacturers over the next three years, saving them \$445 million. These investments will stimulate job growth, make New York more competitive and increase revenues overall.

In addition, the Senate Republican job creation plan would create a \$100 million low-interest loan fund for new high-tech and small business start-ups.

Senator Skelos noted that New York's business climate is currently ranked last in the country by the Tax Foundation, and, in a recent study by United Van Lines published in Forbes Magazine, New York ranked fourth in number of people moving out-of-state.

"The Senate Republican Blueprint for Jobs would help us reverse those numbers," Senator Skelos said. "When it comes to cutting taxes and creating jobs, New York should lead the way."