



NEW YORK STATE SENATOR

Patrick M. Gallivan

## State Budget Provides Real Tax Relief for Middle Class Families and Businesses, Addresses Challenges Facing Upstate

PATRICK M. GALLIVAN March 27, 2013

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*ALBANY* - The New York State Senate has passed the State Budget on time for the third consecutive year, Senator Patrick M. Gallivan announced today. The spending plan adheres to a self-imposed two percent spending cap, contains significant tax relief for middle-class families and businesses, and also addresses some of the unique challenges facing Western New York.

“As the state’s economy continues its recovery, middle class families are struggling to keep up with the rising costs of education, housing, transportation and household staples. I am proud that this budget extends the middle-class tax cut of 2011 and provides \$350 million in new tax relief for middle-class families by incorporating the Family Tax Relief Act into its language,” Sen. Gallivan said. “These actions, combined with an expansion of the STAR property tax relief program, will deliver nearly \$1 billion in direct tax relief for working families and middle-class homeowners.”

The budget provides a new tax credit to any employer that hires a returning veteran and cuts the corporate tax on manufacturers as part of a three-year \$800 million tax relief package designed to incentivize hiring and stimulate business growth. The state’s workers compensation and unemployment insurance regulations, two of the most burdensome mandates imposed on private businesses, are also structurally reformed to provide substantial regulatory relief to employers.

Senator Gallivan was especially pleased to see his proposal to reform the State’s film production tax credit enacted. “New York’s one size fits all model wasn’t working for Upstate or Western New York, as evidenced by Erie County’s recent loss of the major motion picture “Draft Day” to the Cleveland area. This new approach provides Upstate with an additional ten percent credit without increasing the cost of the program one cent, ensuring the rest of New York State can compete with neighboring states and southern Ontario for film productions, and the imported economic activity they bring with them.”

Another top priority for Gallivan has been securing a fair and equitable distribution of transportation and education aid for upstate municipalities and schools. The 2013-14 budget provides an additional \$1 billion in school aid and increases the Consolidated Local Street and Highway Improvement Program (CHIPS) by \$75 million, the first increase since the 2008-09 Budget.

- **Erie County:** \$3.22 million (21.5 %) in additional CHIPS funding, totaling \$18.5 million.
- **Livingston County:** \$744,458 (23.7 %) in additional CHIPS funding, totaling \$3.89 million.
- **Monroe County:** \$2.04 million (19.6 %) in additional CHIPS funding, totaling \$12.42 million.
- **Wyoming County:** \$661,567 (24 %) in additional CHIPS funding, totaling \$3.42 million.

“New York families, businesses and municipalities are overtaxed and overburdened; this budget begins to address these fundamental challenges. Much work remains, and I am far from satisfied, but again, state government has displayed its ability to work on behalf of the people it represents and I optimistic that continued progress awaits our state and its citizens,” concluded Gallivan.