



NEW YORK STATE SENATOR

Joseph A. Griffo

Senator Griffo Unveils Major New Job Creation Plan: New Start NY

JOSEPH A. GRIFFO October 6, 2014

| ISSUE: **ECONOMIC DEVELOPMENT**



ORISKANY - Sen. Joseph A. Griffo today visited Fiber Instrument Sales to outline his new job creation proposal for the Empire State, which is designed to catalyze the innovation, design and manufacture of new products. The plan builds on the senator's record of supporting job growth and helping to make a better business climate in New York by proposing additional tax relief and reforms.

"The START-UP NY program is focused on attracting new businesses. I wanted to build on that concept by helping existing businesses with my plan, New Start NY," said Griffo, R-Rome. "The nucleus of this proposal is my 'New York in 3-D' concept: Dream it here. Design it here. Develop it here. Our companies have what it takes to bring exciting, new ideas from the

drawing board to the marketplace and my plan would help them achieve this objective.”

Griffo’s New Start NY idea has six components:

1. NEW YORK IN 3-D – DREAM IT HERE. DESIGN IT HERE. DEVELOP IT HERE. This plan is designed to encourage innovation and entrepreneurship in New York’s manufacturing sector by helping new products make it from the drawing board to the marketplace. When a product is dreamed, designed and developed in New York, the manufacturer will receive precisely the same tax-free treatment as any business located in a START-UP NY area.

“I’m looking for manufacturers developing new products that will lead to job growth and expansion,” said Griffo. “Many of these companies simply cannot justify spinning off a separate corporate entity and trying to relocate to a designated START-UP NY zone just to take advantage of these tax breaks. So we’re going to bring the savings to them, especially if they’re making something that creates a positive economic impact on their region.”

2. ENERGY TAX RELIEF: Griffo’s plan would eliminate all New York state energy taxes for businesses, including the immediate elimination of the 18-a energy tax surcharge on businesses and manufacturers, as well as the elimination of the Gross Receipts Tax on all business. The projected savings to businesses would be between \$500 million and \$700 million.

3. PROPERTY TAX RELIEF: For the first time ever, this provision would make small businesses across the state eligible for tax cutting benefits of the STAR program. Eligible businesses would employ between 2 and 50 people. No sole proprietorships would be included, and companies can only claim one property – not multiple locations. The projected savings to businesses would be between \$900 million and \$1 billion.

4. PERSONAL INCOME TAX RELIEF: Doubling the tax break, from 5 percent to 10 percent, for the tens of thousands of existing small businesses that file under the personal income tax. Eligible businesses would have at least 1 employee. No sole proprietorships would be eligible and the company must have \$250,000 or less in net income. The projected savings to companies: \$61 million.

5. NEW RELOCATION CREDIT: Businesses that relocate employees from another state to New York would be eligible for a refundable credit, on a sliding scale. For example, relocating 25 to 50 employees to the Empire State would make a business eligible for a credit of 25 percent of relocation expenses. Relocating more than 100 employees would make the company eligible for 100 percent credit.

6. EXPANDED REVOLVING LOAN FUND: The Small Business Revolving Loan Fund would be expanded to provide increased access to credit for independently owned and operated companies that have trouble accessing regular credit markets. Currently, the revolving loan fund has \$25 million in state funds with a \$25 million private match. Our proposal is to triple that amount to \$150 million in state and private funds. Projected cost to the state: \$50 million

“Due to the recent spate of financial settlements, the state is looking at a multi-billion surplus,” said Griffo. “I have voted to keep state spending increases to 2 percent or less, which will generate surplus as our economy grows. This fiscal restraint, paired with the unexpected revenue, will help keep job creation a top priority.”

Building on Three Years of Progress

Senator Griffo and his colleagues in the Senate Republican Conference have taken a number of steps to improve New York's business climate and spur job growth.

These include:

- Eliminating approximately \$15 billion in budget deficits, without raising taxes or fees in the budget
- Keep state spending growth below 2 percent for three consecutive years
- Bringing total spending within the Senate in at nearly \$7 million under budget
- Eliminating the corporate income tax on manufacturers and cutting the rate from 7.1 percent to 6.5 percent for non-manufacturers.
- Eliminated the alternative minimum tax and phasing out the tax on capital base over the next six years
- Creating a 20 percent real property tax credit for manufacturers that lease or own property
- Fast-tracking the elimination of the 18-a energy tax surcharge, which saves all business and residential ratepayers \$600 million during the next three years
- Providing \$5 million for the Next Generation NY Job Linkage program that partners with employers who are willing to providing training for a job that is open
- Allocating \$55 million to SUNY programs to provide competitive grants to projects that catalyze economic development and academic excellent
- Enacting the Recharge NY plan, which trades low cost power for job creation and retention, and the Power NY power plant siting law, which replaces Article X.
- Increasing the estate tax exclusion from \$1 million to \$5.25 million over the next five years