



NEW YORK STATE SENATOR

Thomas P. Morahan

Protecting Empire Zone Benefits for Businesses

THOMAS P. MORAHAN June 3, 2009

Very recently it has come to my attention that more than 2,000 companies across the State - including a number of businesses located in the lower Hudson Valley, could be retroactively lose their existing Empire Zone benefits under a drastic plan approved in the State Budget that I voted against. The plan is now being implemented by the Empire State Development Corporation (ESDC).

I have joined Senator Dean Skelos and a number of my Senate colleagues in opposing the plan, which strips businesses of Empire Zone tax breaks that they have previously qualified for under the State's preeminent job-creation program. During the time the current State Budget was under consideration, we strongly warned fellow legislators that its approval could result in the loss of thousands of jobs.

New York's small and large businesses are already dealing with the worst economic crisis since the Great Depression. The State should be focusing on doing all that it can to create and retain jobs so we can emerge from the current fiscal crisis as quickly as possible. Unfortunately some members of the Senate and the Assembly are making it more difficult for businesses to survive by allowing this extreme and shortsighted plan to go forward.

Within the last week, the Empire State Development Corporation has issued letters to approximately 8,000 businesses which qualified for tax breaks and other benefits under the

previous Empire Zone regulations. More than 2,000 of those businesses have received letters stating that they have been terminated from the program or are at risk of being terminated.

I joined with Senator Skelos during budget deliberations to offer an amendment that would have ensured the State put in place a number of initiatives to create jobs for workers and protected Empire Zone benefits which companies had previously qualified for. Unfortunately, in a party line vote, this amendment was rejected.

Many of these businesses, which make up the lifeblood of our community, have received letters stating that they are being decertified from the program. There are no reasons that are outlined, and no plan to allow them to comply, only that they are out of the program. By retroactively stripping businesses of these important tax breaks, the Empire State Development Corporation has given New York businesses one more reason to pick up and leave the State.

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