



NEW YORK STATE SENATOR

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## JUMPSTARTING NEW YORK'S ECONOMY THROUGH JOB CREATION

FRANK PADAVAN February 4, 2010

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The economic woes facing our nation and state have placed tremendous strain and immense challenges on New York small businesses and middle class families. Last year alone, New York State lost 270,000 jobs in the private sector and unemployment in the state and city continues to climb. For all the promise of results, the federal stimulus package has failed to yield any progress towards improving New York's economic and job climate.

In order to improve New York's economy and provide for greater economic security here in Queens and throughout the state, my Senate Republican colleagues and I have advanced a proposal that would stimulate job creation and retention through tax credits and cuts, lessening burdensome state regulations and red tape imposed on small businesses and capping state spending.

At the core of our plan is a tax credit between \$2,500 and \$5,000 for employers in New York for every new job they create. The refundable credit would be recurring for three years and would be equal to the amount of tax withholding for each new job. If a business hires someone currently receiving unemployment benefits the credit could grow as much as \$3,000. This tax credit would be a win-win for the state economy as it would be cost-neutral to the state and help significantly spur job creation and reduce unemployment.

The plan would also make great strides in improving the business climate in New York by:

- Eliminating the corporate franchise tax on small businesses and manufacturers with 50 or fewer employees making \$2 million;
- Accelerating the phase-out of the personal income tax increase on small businesses set to expire at the end of next year;
- Enacting a five-year moratorium on any new taxes or fees on small businesses,, manufacturers and farms,
- Establishing a constitutional state spending cap that would limit state spending to the Consumer Price Index or up to 4 percent on a year to year basis;
- Enacting a five-year moratorium on any new business regulations and red tap established by state agencies; and
- Creating a new commission charged with identifying and making binding recommendations on regulations that are the most costly and stifle economic growth and

success of New York's small businesses.

Small businesses are the economic driving force of the New York. That is why it is vital to enact this simple, forward-thinking plan so that small business will have stability and clarity as they plan for the future. It will allow hard-working small businesses to reinvest in their business and hire more employees. The National Federation of Independent Businesses of NY, New York's leading small business advocacy group said the plan "is the right recipe for expanding our economy and deserves bipartisan support in both houses of the Legislature."

While the Senate Majority talks about conducting more hearings and roundtable discussions on job creation and fostering economy growth, my Senate Republican colleagues and I are listening to the voices of struggling small businesses and hard-working New Yorkers by presenting a real plan that will jumpstart our economy by creating good paying jobs for New Yorkers. It's clear the time to act on building a better future for New York is now. I hope that the Senate Democratic leadership joins with my Senate Republican colleagues and I in enacting a strong plan for New York's economic security and prosperity as soon as possible.