



NEW YORK STATE SENATOR

Michael H. Ranzenhofer

## New Plan to Improve Region's Economy, Create Jobs for Residents

SENATOR MICHAEL H. RANZENHOFER March 10, 2018

| ISSUE: **JOBS AND OPPORTUNITY AGENDA**



- Shutting down START-UP NY failure and revamping other programs
- \$1.1 billion in tax relief for small businesses and manufacturers
- Reducing red tape and overregulation
- New job training initiatives

New York State Senator Michael H. Ranzenhofer has announced his support today for a broad-based 2018 Jobs and Opportunity Agenda. The plan focuses on regulatory and economic development reforms, as well as comprehensive tax relief, to help make New York more competitive and foster job growth.

“Families, individuals, homeowners, seniors, veterans, local leaders, small businesses and manufacturers continue to tell me that New York’s overly burdensome regulatory practices and high taxes hinder job creation. The Jobs and Opportunity Agenda will help to make the state more competitive and business-friendly. Enacting this plan will create jobs and opportunities for all of our residents and jumpstart our state and local economies,” said Ranzenhofer.

According to the State Department of Labor, in 2017, the Rochester area lost 3,500 jobs, while the Buffalo-Niagara region lost 4,600 jobs. The entire state lost a total of 500 jobs, for the period December 2016 through the end of last year.

The Jobs and Opportunity Agenda includes:

**Cutting Tax Rates on Small Businesses:**

- **New Tax Relief for Businesses - \$495 million:** Reduce the amount small businesses and farms must pay in taxes by increasing the corporate tax threshold from \$390,000 to \$500,000 and lowering the rate to 2.5 percent. The proposal also expands the small business exemption to all businesses filing the personal income tax regardless of whether they have employees;

increases the threshold to \$500,000; and increases the exemption to 15 percent (additional 5 percent for farmers).

- **Tax Relief to Boost Manufacturing - \$90 million:** This proposal would extend the zero percent Corporate Franchise Tax parity to all manufacturers in New York regardless of how they are organized. Currently, only approximately 25 percent of manufacturers– those organized as C corps– can receive the zero percent rate on business income.
- **Reduce Energy Taxes - \$280 million:** Eliminate the two-percent Gross Receipts Tax on utility bills, (\$190 million) and terminate the 18A assessment tax (\$90 million).
- **Create STAR for Small Businesses - \$275 million:** Allow real property owned by a small business (100 or less employees) to be eligible for the STAR property tax savings program.

#### **Reducing Red Tape and Overregulation:**

- **Prevent Regulatory Steamrolling:** Curtail state agency overuse of the emergency regulation process to ensure it is only used when necessary to protect public health and safety. This proposal also includes allowing the Administrative Regulations Review Commission to delay the adoption of new rules by 90 days. This will help when businesses raise concerns about possible rulemaking inconsistencies with statutory authority or legislative intent, or could potentially burden taxpayers or local governments.
- **Improve the State Rulemaking Process:** Reform the regulatory, licensing, and permitting processes to make them easier to understand, more responsive to businesses' concerns, increase transparency, improve consistency, and reduce overly burdensome or unnecessary requirements.
- **Remove Speedbumps to Development:** Create a new statutory “Fast-Track” process for certain economic development projects.
- **Advocate for Small Businesses:** Make the state an advocate, not an adversary, by creating a

small business liaison to help start-ups navigate the state agency bureaucracy. The advocate would hear concerns, advocate within an agency on behalf of small businesses, and increase education of and outreach to entrepreneurs.

**Revamping Economic Development Programs:** Several of New York's economic development programs and strategies are not producing the results that taxpayers expect and lack the transparency needed to help the state be more fair and competitive:

- **Shut down START-UP NY:** The Governor's program has failed to produce the job-creating results that were promised. This proposal would stop the state from accepting new applications for the program at the end of 2018.
- **Improve Transparency with a Database of Deals:** Ensure greater transparency and accountability in state contracting by creating a searchable database of all state subsidy and economic development benefits so that individuals, businesses, and public officials can monitor how taxpayer dollars are spent.
- **Promote Additional Oversight:** Create an Independent Oversight Panel for all large public work projects and state procurements of \$50 million or more.

**Job Training: A Gateway to Opportunity:**

- **Strengthen In-School Training Programs:** Expand and make permanent the P-Tech School Programs that prepare thousands of New York students for highly-skilled jobs in technology, manufacturing, healthcare and finance.
- **Promote Practical Skills and Experiences:** Allow academic credit for high school students who participate in internships and other practical experiences and encourage schools to promote apprenticeship participation.
- **Use Better Metrics:** Enhance outreach, education and reporting by the state Department of

Labor on employment and training programs.

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