



NEW YORK STATE SENATOR

Mike Martucci

## Senator Martucci Joins Senate Republicans To Unveil “Reset NY’S Restaurant & Hospitality Industry” Legislation

MIKE MARTUCCI January 26, 2021

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**Albany, NY (January 26, 2021)** – Senator Mike Martucci (R, C, I – New Hampton), along with his colleagues in the Senate Republican Conference, today unveiled a package of legislation to help “Reset New York’s Restaurant and Hospitality Industry.”

New York State’s economy has been devastated by the COVID-19 pandemic, particularly the restaurant and hospitality industries. Many small businesses in the Senator’s district — from

the exurbs of New York City to the Upper Delaware — include generational and Main Street establishments as well as one-of-a-kind experiences found exclusively in the Hudson Valley and Catskills. Additionally, nearby New York City's restaurants and hospitality businesses employ thousands of people living upstate, provide a market for the region's agriculture industry, and serve as a destination for intrastate commerce and tourism.

Since the onset of the pandemic, the industries' woes have greatly contributed to the state's steep unemployment rate and distressed sales tax revenues. The hospitality industry is the number two source of sales tax receipts in the state and the number three employer, according to data from 2019. A December study by the National Restaurant Association showed that 54% of our restaurants said they would likely have to close in the next six months, giving a clear sense of New York State's bleak outlook. Already, over 1,000 restaurants in New York City have closed their doors for good. Because of the state's failed leadership leading up to the pandemic, the cracks in its economic foundation were exposed greater in no other place.

As if the shutdowns and anti-business policies of the state were not enough, the New York State Liquor Authority (SLA) and other state agencies cracked down on bars and. Hundreds of bars have been cited for myriad small violations, including measures which are unsubstantiated by scientific evidence, such as dining past 10 PM. Real violations should be treated with the proper scrutiny and conviction if guilty; however, when government policy causes businesses to fail, the government has a duty to its citizens to remedy the situation, not worsen it.

Senator Martucci's piece of legislation in this wide-ranging package is an attempt to take one of the most negative and controversial actions the state has pursued against restaurants and bars during the pandemic and turn it into a positive. His bill would redirect any fines and fees collected by the SLA from establishments in the hospitality industry into a Small

Business Relief Fund. The newly created Small Business Relief Fund would become an important tool for helping those in the industry who have followed state guidance to get back on their feet as the state's recovery begins to take shape.

"I know firsthand how hard it is to run a business in this state. Since the pandemic began pressure on our small businesses — particularly on the restaurant and hospitality industry and their employees — has only increased, making a bad situation much worse. This package of bills will provide exactly the kind of relief needed at this critical moment. I urge our colleagues in the Senate majority to get serious about helping small businesses, along with their employees, and allow a vote on these measures immediately," said Senator Mike Martucci.

The cornerstone of the package of legislation advanced by the Senate Republicans today includes a comprehensive bill, sponsored by Senator George Borrello (SD 57), to provide relief to business owners and employers affected by the COVID-19 pandemic. The bill would:

- Exempt small businesses from being penalized with higher unemployment insurance rates due to layoffs resulting from COVID-related, government-mandated closures. The exemption would extend for a period of one year from when they are permitted to return to full capacity;
- Prohibit internet-based food delivery services from charging higher fees than they charged on or before March 1, 2020;
- Provide small businesses additional time to pay monthly sales and payroll taxes, as well as, business and property taxes;
- Offer interest-free loans or lines of credit to small businesses;

- Provide a one year extension for renewal of liquor licenses; and
- Provide businesses a 90 day grace period to pay any fees or penalties due to state and local agencies.

Also included in the plan announced by the Senate Republican Conference were pieces of legislation that would:

- Direct SLA-inflicted fines into a business relief fund to help small businesses get back on their feet (Senator Mike Martucci, SD 42);
- Provide for a credit on liquor license renewals for the amount of time bars and restaurants were forced to be shut down due to the COVID-19 pandemic (Senator Joseph Griffo, SD 47);
- Create a limited state sales tax exemption for the sale of food and drink at restaurants and taverns from state sales and compensating use taxes and granting municipalities the option to grant such limited exemption (Senator Daphne Jordan, SD 43);
- Provide a tax check off box that will direct funds into a business relief fund (Senator Mario Mattera); and
- Create an employee retention tax credit, modeled after the Federal Employee Retention Credit, to help employers keep workers on payroll (Senator Peter Oberacker, SD 51).

*Mike Martucci is serving his first term as the Senator for the 42nd NYS Senate District which comprises all of Sullivan County and parts of Orange, Ulster, and Delaware counties. He is the ranking member of the Senate Committees on Developmental Disabilities and Small Business, Commerce and Economic Development. Mike is a small businessman who employed hundreds of people locally at his former company, Quality Bus Service, which was responsible for safely transporting thousands of school children each day in and near the 42nd senate district. Mike and his wife Erin own a family-farm in the Town of Westtown and established a family foundation to support local women and children in need, educational*

*opportunities, job creation, and agriculture initiatives. Mike and Erin have three children and live in the Town of Wawayanda.*

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