



# Albany Update

Volume 5 February 18, 2005

## ECONOMIC DEVELOPMENT IN THE GOVERNOR'S BUDGET

- **Creates Operation SPUR** to encourage investment and job creation in targeted cities and rural communities in upstate New York. This measure will provide a tax credit for existing, new or emerging businesses affiliated with Centers of Excellence across the state, creating jobs and making investments, to convert unused tax losses into refundable tax credits to help secure new working capital.
- **Reduces regulatory burden** to establish a more favorable business climate for the private sector.
- **Eliminates the Alternative Minimum Tax [AMT]** and provides a single sales factor for qualified investing in SPUR areas. This new incentive will allow qualified businesses in the state that create jobs or make a significant investment in SPUR communities to be exempt from the State AMT. This exemption will not only apply to the company's tax liability in the SPUR community, but will also include the company's entire state tax liability.
- **New "Single Sales Factor"**: This measure will allow qualified businesses that create jobs or make significant investment in SPUR communities to calculate their State Corporate Franchise Tax using the advantageous "Single Sales Factor". Under this measure, businesses will calculate their taxes on in-state sales only. Currently state taxes are based on 3 factors: in-state sales, property and payroll. This penalizes businesses that have a high percentage of jobs and capital facilities in NYS. This measure will apply not only to a company's tax liability in the SPUR community, but will apply also to the company's entire tax liability.
- **New Wage Tax Credits**: New Wage Tax Credits will be made available for businesses that create more than 50 jobs in SPUR communities and enhanced credits will be available for businesses in Empire Zones within SPUR communities.
- **The Empire Zone Program** will be expanded until 2010 to provide significant economic and tax incentives to businesses located within a zone. There are reforms that will strengthen the program and ensure that benefits are effectively targeted.
- **\$100 million for Operation Spur Grants**: New funding will provide \$100 million for capital projects directed toward economic development initiatives in SPUR communities, including industrial facilities, business parks, incubators, downtown and rural commercial center projects and tourism destinations.
- **SPUR NY Training Grants**: \$10 million will be provided for incumbent worker training to ensure that NY's private sector workforce remains world class.
- **Power for Jobs Program** benefits will be expanded for a one year period.

## \*\*\*SAVE THE DATE\*\*\*

### COMPTROLLER ALAN HEVESI

Bolton-St. Johns is hosting a PRIVATE fundraiser for ALAN HEVESI in NYC on Thursday, March 24th. Details forthcoming.

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## FUNDRAISERS

Monday, February 28th

Senator John Flanagan [R]

Chair—Elections

Albany, \$300

Senator Betty Little [R]

Chair—Local Government

Albany, \$400

Senator Stephen Saland [R]

Chair—Education

Albany, \$400

Assem Adam Bradley [D]

Albany, \$250

Assem Michael Fitzpateick [R]

Albany, \$200

Tuesday, March 1st

Senator Ivan Lafayette [R]

Chair—Auto Insurance

Albany, \$350

Senator Tom Morahan [R]

Chair—Mental Health

Albany, \$350

Assem Adele Cohen [D]

Chair—Science & Technology

Albany, \$250

Assem Jim Hayes [R]

Minority Whip

Albany, \$250

Tuesday, March 2nd

Assem Deidre Scozzafava [R]

Ranking minority -Codes

Albany, \$250

Assem Joan Millman

Chair—Government Administration

Brooklyn, \$75