



Small Business Tax Cuts S.2120 (O'Mara)

We, the organizations listed, represent thousands of businesses throughout New York State, and we **SUPPORT** this legislation that would provide necessary tax relief for many of New York's small employers.

This proposal will target true small businesses, which have largely been excluded from recently enacted business tax reforms. The legislation includes two provisions that would lower the tax burden, enabling small employers to invest in their business, create jobs and grow the economy. First, small employers paying their business taxes via Article 9A (corporate tax) would see a reduction from the current tax rate of 6.5% to 2.5%.

The second provision, and perhaps most significant proposal, would apply to small businesses paying their business taxes via Article 22 (personal income tax). Most small employers file their taxes via Article 22, and increasing the exemption to 15%, when fully phased in, will provide much needed tax relief. Additionally, by capping the eligibility for the tax cuts at \$500,000 net income, this proposal is specifically targeted to help New York's true small business.

The economic strength of small business is critical to state and local fiscal health. This legislation represents a solid first step towards reducing the significant tax burden on small business, one of the most valuable yet vulnerable segments of the economy.

For these reasons, we urge your support of this bill.

