



January 30, 2020

Honorable Andrea Stewart-Cousins, Majority Leader  
 New York State Senate  
 907 Legislative Office Building  
 Albany, New York 12247

Honorable Carl E. Heastie, Speaker  
 New York State Assembly  
 932 Legislative Office Building  
 Albany, New York 12248

**RE: Small Business Tax Relief NYS FY 2021 Executive Budget Proposal**

Dear Leader Stewart-Cousins and Speaker Heastie:

On behalf of our organizations which represent hundreds of thousands of small businesses throughout New York State, we are writing to express our support for Governor Cuomo’s proposal to reduce the tax rate for qualified small businesses organized as corporations from 6.5% to 4%

and to expand the income exclusion for qualified sole proprietors and small farms to 15% of business income.

This proposal – outlined in the Governor’s 2020 State of the State Address and his executive budget documents – will benefit tens of thousands of small businesses and local agriculture, but unfortunately does not extend its relief to LLCs, LLPs, or S-corporations, which constitute the majority of small businesses operating and employing in New York State.

To ensure that tax relief benefits the true small businesses and family farms which remain the economic bedrock of communities across our state, we believe the Governor’s proposal can be modestly expanded upon to provide relief to all types of small businesses. **To that end, we respectfully ask that you consider including the entirety of [S.5954 \(Kaplan\) / A.6309 \(Schimminger\)](#) in your chambers’ respective 2020 one-house budget proposal.** S.5954 / A.6309 mirrors the executive budget language but also applies the expanded 15% income exclusion to LLCs, LLPs, and S-corporations.

Sixty-seven cents of every dollar spent at a small business stays within the local economy as their profits and wages stay local, and small businesses are more likely to source services, materials, and employees from within their community. Small businesses stabilize municipal tax bases, provide homegrown job creation, strengthen neighborhood commercial districts, bring vibrancy to the community, and are among the most dependable supporters of local charitable programs.

Small businesses are also often disproportionately burdened by one-size-fits-all policies that treat Wall Street and Main Street the same. Small businesses employ half our state’s private sector workforce but are far less likely to count in-house accounting, legal, and human resource professionals on their payroll. Simply put, “big box” and “small biz” are very different types of employers.

Further, legislation similar to the Governor’s 2020 executive budget proposal and S.5954 / A.6309 has received overwhelming bipartisan support from the legislature in the past:

- In 2017, the New York State Senate passed S.2120 with unanimous support; and
- The New York State Assembly passed similar language as part of its 2017 one-house budget legislation.

New York has made efforts to improve its tax climate in recent years. Previous reductions in the corporate tax rate, middle-class income taxes, taxes for qualified manufacturers, and making the property tax cap permanent have benefited the state’s economy and individual market sectors but haven’t necessarily benefited small, independent businesses. **Now is the time to provide long awaited relief to real local job creators – the small businesses of New York.**

Enacting Governor Cuomo’s proposed small business tax reform and expanding its application to include additional types of small businesses should be a top priority for every lawmaker who values local jobs and community-driven economic growth. Small businesses have always and continue to deliver opportunity for our neighbors and stability in our neighborhoods. We the undersigned respectfully ask that you reciprocate that support by including small business tax

relief as part of your chamber's one-house budget proposal and the final enacted New York State Budget.

Your time and attention to this matter are greatly appreciated. Never hesitate if our organizations can ever be of any additional service to your office, your district, or your constituents on this or any other issue.

Sincerely,

**Amherst Chamber of Commerce**  
**Associated Builders and Contractors, Empire State Chapter**  
**Big I**  
**Buffalo Niagara Partnership**  
**Capital Region Chamber**  
**Chemung County Chamber of Commerce**  
**Commerce Chenango**  
**Corning Area Chamber of Commerce**  
**Cortland County Chamber of Commerce**  
**Delaware County Chamber of Commerce**  
**Greater Binghamton Chamber of Commerce**  
**Greater Rochester Chamber of Commerce**  
**Greece Regional Chamber of Commerce**  
**Long Island Association**  
**Manufacturers Assoc. of Central New York**  
**New York Alliance for Environmental Concerns**  
**New York Association of Convenience Stores**  
**New York Farm Bureau**

**New York State Builders Association**  
**New York State Economic Development Council**  
**New York State Hospitality & Tourism Association**  
**New York State Liquor Store Association**  
**New York State Restaurant Association**  
**New York State Vegetable Growers Assoc.**  
**NFIB**  
**Niagara USA Chamber**  
**North Country Chamber of Commerce**  
**Northeast Agribusiness and Feed Alliance**  
**Northeastern Retail Lumber Association**  
**Orange County Chamber of Commerce**  
**Seneca County Chamber of Commerce**  
**Ulster County Regional Chamber of Commerce**  
**Unshackle Upstate**  
**Wyoming County Chamber of Commerce**

cc: Robert Mujica, Director, NYS Division of Budget  
Elizabeth Garvey, Counsel to the Governor  
Hon. Will Barclay, NYS Assembly Minority Leader  
Hon. John Flanagan, NYS Senate Minority Leader  
Hon. Helene Weinstein, NYS Assembly Ways and Means Committee Chair  
Hon. Liz Krueger, NYS Finance Committee Chair  
NYS Assembly  
NYS Senate