



Summary of Approved New York State Budget for SFY 2023

THE GOOD:

- Wadsworth Laboratory - \$750 million in funding to support the construction of a new Wadsworth Laboratory on the Harriman campus in Albany and upgrading the world-leading Laboratory's facility to today's cutting-edge standards for testing and epidemiological.
- UAlbany - \$75 million to complete the construction of UAlbany's downtown College of Engineering and Applied Sciences campus and to expand Artificial Intelligence (AI) research.
- Offshore Wind - \$500 million for supply chain and port infrastructure related to the offshore wind industry.
- Small Business Tax Relief - Most small businesses are set up as pass-through entities, and as such pay the majority of their business income tax under the personal income tax. The budget expands the business income exclusion under the personal income tax from 5 percent to 15 percent; makes the exclusion available for members, partners, and shareholders of LLCs, partnerships, and sub-S corps, in addition to sole proprietors as under current law. It is applicable for taxpayers with net farm income under \$250,000, and other small businesses with gross income under \$1.5 million.
- TAP - \$150 million to expand the Tuition Assistance Program (TAP) to part-time students. This will provide these students with access to effective training courses to upskill in their current careers.
- Community Colleges - Establishes a funding floor to protect community colleges from a \$80 million loss due to declining enrollment.
- Brownfield Cleanup Program - 10-year extension of the Brownfield Cleanup Program which encourages private-sector cleanups of brownfields and to promote their redevelopment to revitalize economically blighted

communities. However, over the objections of the Chamber, a \$50,000 fee for those admitted to the program has been included.

- Market/Shovel Ready Sites - \$300 million in funding to develop sites that will attract high-tech manufacturing, particularly semiconductor manufacturing, warehousing, distribution, and logistics businesses to the states. These investments will develop sites to make New York State a more competitive place to locate and expand a business, helping New York usher in a new era of market-ready infrastructure.
- Alcohol-to-Go - Extends for 3 years the ability of restaurant and bars to provide alcohol-to-go with substantial food orders.
- Digital Gaming Tax Credit - \$5 million per year for 5 years which will provide meaningful and effective incentives to an industry critical to future economic development throughout the Capital Region and the State.
- REDC and DRI - provides over \$1 billion in new economic and community development funding across several programs, including Round XII of the Regional Economic Development Council (REDC) Awards and a sixth round of the Downtown Revitalization Initiative.
- Livingston Ave Bridge - \$400 million to replace the Civil War era bridge and make improvements including biking/walking access.
- Mohawk Harbor - \$10 million to assist in funding a 2,850-seat facility ice rink that will, in part, be utilized by Union College's ice hockey program.
- I-787 - \$5 million for an engineering feasibility study to reimagine I-787.

THE UGLY:

- Unemployment Insurance Trust Fund – Unfortunately, the Governor and the Legislature took no action to address the depleted UI Trust Fund. This inaction will impact all New York State employers and consumers. The COVID-19 pandemic completely upended the Unemployment Insurance system. New York State's decision to shut down "non-essential businesses" and impose restrictions resulted in massive layoffs. The private sector shed more than 1.7 million jobs in March 2020, driving unemployment from 4.4 percent to 16.2 percent. Extraordinary amounts of money flowed out of New York's UI Trust Fund to satisfy claims, causing the State to borrow more than \$11 billion from the federal government. The outstanding loan and completely depleted UI Trust Fund have forced all employers into the highest employer contribution rates

allowable under New York's UI tax tables, meaning all businesses are paying the highest possible UI tax rate related to the fund balance. With \$9.3 billion outstanding on the state's federal UI advance, New York employers are subject to these highest rates for a decade or more. If not addressed by 2025, employers will face rate increase of 45 to 250 percent.