



Legislation Details (With Text)

File #:	Res 1037-2016	Version:	*	Name:	Create a tax incentive for small businesses to hire from within the communities in which they are located.
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Title:	Resolution calling upon the State Legislature to pass, and the Governor to sign, legislation that would create a tax incentive for small businesses to hire from within the communities in which they are located				
Sponsors:	Robert E. Cornegy, Jr., Laurie A. Cumbo, Deborah L. Rose, Donovan J. Richards, Rafael Salamanca, Jr., Rafael L. Espinal, Jr., Fernando Cabrera, Annabel Palma, Alan N. Maisel, Margaret S. Chin, Rosie Mendez, Karen Koslowitz				
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Attachments:	1. April 20, 2016 - Stated Meeting Agenda with Links to Files				

Date	Ver.	Action By	Action	Result
4/20/2016	*	City Council	Introduced by Council	
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12/31/2017	*	City Council	Filed (End of Session)	

Res. No. 1037

Resolution calling upon the State Legislature to pass, and the Governor to sign, legislation that would create a tax incentive for small businesses to hire from within the communities in which they are located

By Council Members Cornegy, Cumbo, Rose, Richards, Salamanca, Espinal, Cabrera, Palma, Maisel, Chin, Mendez and Koslowitz

Whereas, While New York City's unemployment rate has been declining since its peak during the midst of the Great Recession, as of January 2016 it still remained higher than the federal unemployment rate; and

Whereas, In January 2016, New York City's unemployment rate was 5.9%, as reported by the New York State Department of Labor, compared to the federal unemployment rate of 4.9%, as reported by the United States Department of Labor; and

Whereas, Moreover, the unemployment rate varies from borough to borough, with the unemployment rate in January 2016 in the Bronx at 8.1%, Staten Island and Brooklyn each at 6%, Queens at 5.2%, and

Manhattan at 5.1%, according to the New York State Department of Labor; and

Whereas, In order to address unemployment in the City and to promote economic development within the City's communities, small businesses should receive a tax incentive to encourage them to hire employees from within the communities in which they are located; and

Whereas, Such tax incentive could be modeled after existing federal and New York State tax credits that reward businesses that hire employees from a specific pool of workers; and

Whereas, On the federal level, the Work Opportunity Tax Credit ("WOTC") offers employers a federal tax credit to hire from a targeted group of job seekers with barriers to employment, including veterans, people with disabilities, individuals receiving certain types of public assistance, ex-felons, and youth; and

Whereas, The maximum credit ranges from \$2,400 to \$9,600, depending on the type of employee hired; and

Whereas, In December 2015, President Obama signed an appropriations bill that renewed the WOTC through December 31, 2019; and

Whereas, The legislation also expanded the category of job seeker to include job seekers who are long-term unemployment compensation recipients; and

Whereas, New York offers the Hire-A-Veteran, Workers with Disabilities, and Urban Youth Jobs Programs Tax Credits; and

Whereas, The Hire-A-Veteran Tax Credit is available to businesses that hire veterans in an amount of up to \$15,000 for disabled veterans hired and \$5,000 for non-disabled veterans hired; and

Whereas, The Workers with Disabilities Tax Credit provides a credit up to \$5,000 per full-time employee with a disability and \$2,500 per part-time employee with a disability hired; and

Whereas, The Urban Youth Jobs Program Tax Credit provides a credit up to \$5,000 for full-time youth and \$2,500 for part-time youth hired; and

Whereas, Similarly, a tax credit could be provided to small businesses in New York City that hire

employees from their local communities; and

Whereas, Encouraging small businesses to hire locally would also serve to strengthen the City's diverse neighborhoods and deepen residents' investment and commitment in their communities; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the State Legislature to pass, and the Governor to sign, legislation that would create a tax incentive for small businesses to hire from within the communities in which they are located.

RC
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