

KOLB'S KEY

APRIL 2010

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Dear Neighbor,

As New York faces an unprecedented budget deficit, increasing debt and rising taxes coupled with over 800,000 New Yorkers out of work, we need to change the way our state government operates. That is why I am calling for a People's Convention to Reform NY -- and so many of you have joined this grassroots effort to end the gridlock and start to make our state government work again.

With so many unemployed New Yorkers I am working hard to create an environment that fosters private-sector job growth. I want to implement a statewide economic development program and focus on rebuilding New York's economy. I am also working to cut job-killing taxes and reduce red tape to expand manufacturing and small businesses right here in New York.

State government needs to tighten its belt, the way so many of us have already done. I am working to bring real fiscal responsibility to Albany by cutting unnecessary state spending and standing against new taxes on families and businesses. I am working for reform so New York can make it out of this economic crisis and have a bright future. In this issue of Kolb's Key, I discuss the efforts of the Assembly Minority Conference to cut taxes, reduce spending, help businesses flourish and put New Yorkers back to work.

As always, please don't hesitate to contact my district office at (315) 781-2030, or e-mail me at kolbb@assembly.state.ny.us on how, together, we can bring New York back.

Sincerely,

A handwritten signature in black ink that reads "Brian".

Brian M. Kolb
Assembly Minority Leader

WE NEED A PEOPLE'S CONVENTION TO REFORM NY NOW, MORE THAN EVER

"The People's Convention to Reform NY is a grassroots, non-partisan reform effort to empower citizens so they can take back their state government."

The gridlock and political conflict of late in Albany indicates why we need a People's Convention to Reform New York now, more than ever. The People's Convention to Reform New York is a grassroots, non-partisan reform effort to empower citizens so they can take back their state government and, in the process, chart a positive, new direction for New York.

Some of the issues that could be considered during a People's Convention include:

- Fiscal reforms like a property tax and state spending cap, debt reform, along with a ban on "backdoor" borrowing and unfunded mandates.
- Governmental reforms such as initiative and referendum, an independent Legislative Redistricting Commission, term limits for Legislative Leaders, ethics reform and a succession plan for state offices could also be considered as part of a People's Convention.

"The People's Convention to Reform New York Act," Assembly Bill A.9157, would put the question of whether New York should convene a "People's Convention" on the 2010 ballot; by law, this question automatically goes before voters in 2017. Our non-partisan measure would move up the opportunity for reform by seven years, accelerating the state's ability to enact long overdue and much-needed changes.

The legislation specifically requires that any elected official seeking to run as a delegate for, or serve in, the People's Convention must first resign their office.

The People's Convention to Reform New York Act is bi-partisan and has been co-sponsored by Mark Schroeder, a Member of the Assembly Majority, and 35 Members of the Assembly Minority Conference.

Visit www.reformny.org to sign the on-line petition calling for a People's Convention.

CAN THE BEVERAGE TAX

The Governor's current spending plan would cost the typical New York family of four more than \$1,800 annually through higher taxes, fees and new debt on many things including taxes on certain soft drinks, iced tea, juices and sports drinks.

The "Beverage Tax" on these drinks will hit working families and businesses especially hard. The Beverage Tax would add a penny-an-ounce tax on the purchase of a soft drink or sports drink. Consumers would have to pay an extra 12 cents a can (\$1.44 for a 12-pack of soft drinks) or 68 cents more for a two-liter bottle.

Instead of raising taxes and fees, we must reduce government spending, consolidate duplicative services and eliminate waste, fraud and abuse. A Soda Tax is no way to put some pop back into our economy. This is one tax the state should can.



ALBANY MUST REDUCE SPENDING

As our forecast projected, New York's fiscal outlook has gone from bad to worse. This should not come as a surprise: last year our entire Assembly Minority Conference voted against the 2009 -10 State Budget because it contained too much spending, too many taxes and not nearly enough reform. Back on March 31 of 2009, right after the budget passed, I publicly said it would do further harm to already struggling middle-class families and job-creating businesses. It has. That bad budget also set the stage for this latest growth of New York's budget deficit.

The answer to the state's fiscal crisis is not raising taxes on hard-working families or delaying taxpayer refunds, it's shrinking the size of state government by reducing spending. Reducing spending is the first step toward "starving the beast" that state government has regrettably become.

New Yorkers already swamped from a perfect financial storm caused by recession, an underperforming economy, reckless government overspending and some of the highest taxes in our nation are hurting like never before. That perfect financial storm has caused real pain for real New Yorkers. If all 212 legislators and the Governor could set aside partisan politics and work toward real solutions to help create private-sector jobs, reduce taxes and reform state government, future financial forecasts for the Empire State would show brighter days ahead.



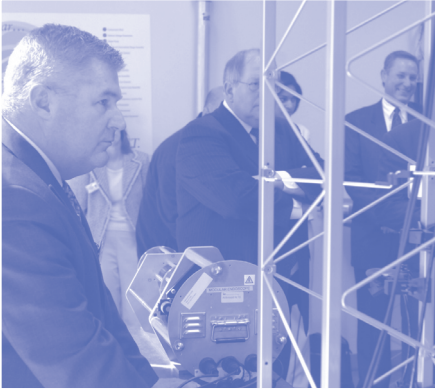
REBUILDING OUR MANUFACTURING BASE IS CRITICAL TO NY'S ECONOMY AND MIDDLE CLASS

Back in the 1950s, there was a saying: "What is good for General Motors is good for America." While times may have changed, that saying remains true when it comes to manufacturing and assessing its positive impact on our state's economy. What is good for manufacturing is good for New York and the middle class. Manufacturing is a critical but often overlooked component of our economy. Just consider these facts on the importance of our manufacturing sector:

- Manufacturing accounts for 5.6 percent of all jobs and 6.7 percent of all private-sector jobs in New York and 12 percent of all private sector jobs upstate;
- Manufacturing employs 469,119 New Yorkers and contributes \$65 billion annually to our state's Gross Domestic Product (GDP), which is the sum total of all goods and services produced in New York;
- Manufacturing jobs typically pay high wages and offer competitive benefits;
- Manufacturing fosters more high-tech growth through research and development and productivity innovations versus other segments of the economy; and
- Every manufacturing job creates more than 2.5 related jobs in other sectors and every dollar spent in manufacturing generates an extra \$1.43 "spin off" in economic activity.

"The answer to the state's fiscal crisis is not raising taxes on hard-working families... it's shrinking the size of state government by reducing spending."

OUR PLAN TO BOOST MANUFACTURING IN NEW YORK



Here are our solutions to preserving and enhancing manufacturing and its workforce in New York:

- Manufacturing Enhancement Incentive (MEI) Wage Credit to provide 1.5 percent credit of eligible wages to manufacturers who maintain employment levels and 2.5 percent credit for increased employment;
- MEI Energy Credit to make manufacturers eligible to receive a two-tiered energy tax credit of \$25 for maintained employees and \$50 for increased employment;
- MEI Property Tax Credit to provide eligible manufacturing firms a flat 10 percent property tax credit for property assessed;
- Cut Corporate Franchise and Personal Income Taxes for manufacturers;
- Develop a Community Colleges Workforce Development program to re-train displaced manufacturing workers and direct SUNY to provide 50 percent tuition reimbursement to participating students;
- Partnerships between community colleges and BOCES through a high-tech manufacturing job training program; and
- Create a “Manufactured in NY” product registry to establish and maintain an Internet registry of products made in NY – and also create a label to identify and “brand” them.

STOP THE IDA JOBS TAX

The so-called “IDA Jobs Tax” is a new tax that enables the state to collect from each local Industrial Development Agency (IDA) up to \$5 million which must be paid by March 31. This new 4.7 percent tax levy assessment on IDAs was authorized as part of the 2009-10 state budget (A.159-B) and has only recently come to light.

The New York State Association of Counties is among those that have criticized the IDA Jobs Tax, saying it “will cripple our efforts to bring jobs and businesses back to New York.” A recent study by the Tax Foundation found that New York has the second worst business tax climate in the nation.

CALL GOVERNOR PATERSON AT 518-474-8390 AND TELL HIM TO STOP THE IDA JOBS TAX.



A legislative update

BRIAN **KOLB**

NEW YORK STATE
ASSEMBLY MINORITY LEADER