



# government affairs

The State and Federal Voice for New York State Manufacturing Since 1913.

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Dear Member,

The New York State Legislature approved a FY 2023 State Budget over the weekend. The approximately \$220 billion agreement between the Legislature and Governor, boosted by federal funds and a tax surplus, includes several measures to aid small businesses, enhance workforce development initiatives, and expand childcare eligibility.

**MACNY is thrilled to report that the final New York State Budget includes continued funding for the Manufacturers Intermediary Apprenticeship Program (MIAP)** to sustain the program and additional monies to expand and enhance the program statewide. MACNY, the Alliance Partners, and our partners at Ostroff Associates are thankful to the State Legislature and Governor for including this critical funding in the final budget. Other measures that will impact New York businesses include:

**Small Business Tax Relief** - This bill will expand the small business tax relief subtraction modification under the personal income tax. It also will expand the definition of a small business to include a limited liability company, partnership, or S corporation that is not a farm business and has a New York gross business income less than \$1.5 million.

**Tax Credit for Small Business Covid-19 Related Expenses** - This bill will create the COVID-19 capital costs tax credit program to aid small businesses that incurred expenses related to the pandemic or for infectious disease mitigation. The refundable credit will be available to small businesses with \$2.5 million or less of gross receipts that incurred qualifying COVID-19 capital costs from January 1st, 2021, through December 31st, 2022.

**Acceleration of the Middle-Class Tax Cut** - This bill will accelerate the middle-class tax cuts to begin in Tax Year 2023 rather than Tax Year 2025.

**Gas Tax Holiday** – This measure will suspend the state's tax on gasoline starting June 1<sup>st</sup> through the end of the year, resulting in at least a 16-cent reduction for every gallon — an amount that could go up if local governments opt to suspend their gas tax.

**Extension of the Empire State Apprenticeship Tax Credit** - This bill will extend the Empire State Apprenticeship Tax Credit program for an additional five years, through 2027.

**Extension of the Workers with Disabilities Tax Credit** - This bill will extend the workers with disabilities tax credit for three years through tax years beginning before January 1<sup>st</sup>, 2026, to provide tax incentives to employers of qualified full-time employees with disabilities.

**Expanded Income Eligibility for Child Care Subsidies** - This bill will expand access to childcare subsidies for families by raising the maximum income for eligibility from 200 percent to 300 percent of the Federal Poverty Level (FPL), statewide.

**NOT IN BUDGET** - The final state budget does not include a proposal to ban the use of natural gas in most new construction buildings. MACNY remains concerned about this

proposal as it will likely be debated the remainder of this legislative session. We will continue to oppose this and track any new developments.

Sincerely,

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