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**IN STATE OF THE CITY ADDRESS, SPEAKER QUINN UNVEILS PLANS TO
HELP CITY'S SMALL BUSINESSES AND DIVERSIFY ECONOMY**

Announces Steps to Create Fairer Income Tax and Middle Class Housing While Reducing Spending

City Hall, February 12, 2009 – In her annual State of the City address, Council Speaker Christine C. Quinn focused on strengthening the local economy through supporting New York City's small businesses, targeting specific sectors for job growth, and implementing a more balanced income tax structure. Stressing the importance of taking advantage of existing assets, Speaker Quinn announced a partnership with the City to turn vacant luxury development into middle income housing and outlined various budget cuts and consolidations.

Speaker Quinn declared, "By using what's already available in innovative ways, we can foster growth even in the midst of this recession. We can help a working family find affordable housing, or an entrepreneur realize a life long dream .We won't use lack of money as an excuse for inaction. And we will not let the enormity of this problem deter us from finding solutions both big and small. We stand at a unique moment in history, a moment of great challenges but even greater hope."

Also included in the speech were proposals to create a ".nyc" domain name and heighten penalties against those who commit gang initiation crimes.

-HELPING NEW YORK CITY'S SMALL BUSINESSES-

To expand and strengthen New York City's small business sector, Speaker Quinn announced the "Open for Business Plan" to encourage new businesses to start up and help existing businesses keep their doors open.

Help new small businesses open up:

- Consolidate multiple onerous permits and licenses into a common licensing application, available online
- Temporary twelve month waiver of permit and license fees
- Coordinate and consolidate multiple required agency inspections

Provide support to existing businesses:

- Develop targeted neighborhood marketing campaigns
- Change State law so the City can give a preference to qualified local, minority and women owned businesses

End unnecessary governmental regulations and hurdles for businesses:

- Create pilot program to require city agencies to review effects of new regulations affecting small businesses
- Establish one-time amnesty program for those with outstanding violations to pay portion of fines

-CREATING AFFORDABLE HOUSING –

A fierce housing and tenant advocate, Speaker Quinn announced a partnership with the City to convert thousands of vacant housing units to affordable housing. Capitalizing on New York’s recent development boom, the Affordable Housing Recovery Program will work to make unsold condominiums affordable to middle income New Yorkers to buy or rent.

“New Yorkers who were once nearly priced out of their communities will now have a chance to buy or rent one of the new homes that were built in their own backyards,” said **Speaker Quinn**. “And best of all, these units are already out there, just waiting for someone to call them home.”

-DIVERSIFYING THE CITY ECONOMY-

Recognizing the need to expand the City’s economy beyond Wall Street, Speaker Quinn presented proposals to seize on existing opportunities for job growth:

- Create a City Biotech Tax Credit: New York is already a center for biotech research, but far too often companies leave the City when it comes time to commercialize. The Speaker proposed an annual, four-year tax credit of up to \$250,000 for research and development, facilities and staff training, which will create nearly a thousand high tech and high paid jobs
- Train more nurses: The City has long suffered from a nursing shortage. There are significant wait lists for nursing programs, due to lack of nursing professors. By linking experienced city nurses to CUNY health programs, hundreds of new nurses can be trained to work in local hospitals.
- Encourage growth of emerging food manufacturing firm.: Food manufacturing is a \$5 billion industry in New York City, supporting over 30,000 jobs. The Speaker proposed establishing an incubator, offering commercial kitchen space at a reasonable fee to 60 start-up food manufacturers.

-CREATING A MORE BALANCED INCOME TAX CODE-

Speaker Quinn strongly advocated overhauling the City’s income tax code. Currently, the City taxes all New Yorkers making above \$90,000 at the same tax rate and unfairly taxes families making less than \$45,000 a year who pay no State or Federal income taxes. To balance the City’s income tax structure and avoid sales tax increases, Speaker Quinn proposed:

- Eliminating City income taxes for 224,000 families exempt from Federal and State income taxes who earn under \$45,000 annually. This change would put an average of \$320 a year back in their pockets.
- Creating a three-tiered tax structure for New Yorkers earning more than \$297,000 annually. New Yorkers will see the following changes to their city taxes:

Married Filing Jointly

Household Income Before Taxes*	Marginal Tax Rate		Typical Tax Increase
	Current Law	Proposed	
Up to \$46,000 with no Federal or State tax liability	2.907% to 3.591%	No City Income Tax**	(\$321)
Up to \$106,000	2.907% to 3.591%	No change	None
\$106,000 to \$297,000	3.648%	No change	None
\$297,000 to \$532,000	3.648%	4.25%	\$374
\$532,000 to \$1,200,000	3.648%	4.45%	\$5,571
Over \$1,200,000	3.648%	4.65%	\$19,066

**A credit equal to tax liability, partial credit for qualifying households with household income up to \$55,000

* Typical household income corresponding to taxable income:

Household Income	Taxable Income
Up to \$106,000	Up to \$90,000
\$106,000 to \$297,000	\$90,001-\$250,000
\$297,000 to \$532,000	\$250,001 - \$500,000
\$532,000 to \$1,200,000	\$500,001 - \$1,000,000

“Those hit hardest by the economic crunch deserve some assistance. And those of us doing better should be doing more to help,” said **Speaker Quinn**.

-BUDGET CUTS AND CONSOLIDATIONS-

In a continued commitment to fiscal responsibility, and building upon the Council’s already proposed half a billion in cuts, Speaker Quinn presented millions of dollars in further savings and spending efficiencies, including: merging city agencies with similar or overlapping functions, such as consolidating the Board of Education’s Retirement System into the general city pension system; cutting unnecessary administration costs like travel, postage, and fliers which amount to \$117 million; and during the City wide municipal hiring freeze, reducing spending on municipal recruitment programs that currently costs the city \$30 million a year.

Speaker Quinn also presented proposals to overhaul the City’s corporate tax incentive program to ensure companies are keeping their promises; purchasing the “.nyc” domain name, which could raise millions each year by selling web addresses ending in “.nyc”; leveraging federal funds to improve healthcare in underserved neighborhoods; and using existing resources to connect New Yorkers at risk of losing unemployment benefits to public programs like food stamps or Medicaid.

-KEEPING OUR STREETS SAFE-

To keep New York City the safest big city in the world, Speaker Quinn outlined public safety proposals to:

- *Pass legislation to heighten penalties for those who commit gang initiation crime:* Current State statutes require as little as fifteen days in jail for anyone who, as part of gang initiation practices, encourages another person to commit a crime, puts other people at risk of physical injury, or physically threatens another person. The Council will create two new statues to increase jail time to one year for those who engage in this behavior as part of gang initiation acts.
- *Engage students in the fight against crime:* The Council will partner with the Department of Education and Pax, an anti-gun violence organization, on a collaborative youth-outreach program in 10 city schools. Encouraging students to come forward with knowledge of dangerous activity, Pax will establish an anonymous hotline that students may call to report anyone suspected of having a gun or planning an assault.

The full text of Speaker Quinn's 2009 State of the City Address can be viewed at:

http://council.nyc.gov/html/soc/2009_speech.pdf .

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