

# Key Budgetary Changes Affecting Small Businesses – FY 14-15 to FY 15-16

**Agency:** New York State Homes and Community Renewal, Office of Community Renewal, Governor's Office of Storm Recovery (GOSR)

**Program:** Hurricane Sandy Business Assistance Programs (Small Business Grant Program, Small Business Mentoring Program, Tourism and Marketing Program)

**2012-13 Appropriation (or Tax/Fee Level if applicable):** Not Applicable.

**2013-14 Appropriation (or Tax/Fee Level if applicable):** Not Applicable.

**Summary:** New York State has allocated \$216.5 million of the State's first and second allocations of supplemental federal Community Development Block Grant Disaster Recovery (CDBG-DR) for programs designed to assist in the recovery of small businesses impacted by Superstorm Sandy, Hurricane Irene, and Tropical Storm Lee.

- **Small Business Recovery Grant Program:** Provides grants to eligible storm-impacted businesses for working capital expenses, for the purchase or repair of damaged equipment, for the renovation of facilities that were damaged or destroyed, and to support mitigation efforts to protect the business from future storms. Grants of up to \$50,000 are available to small businesses, as defined by the SBA, in one of the State's designated disaster areas (not including NYC). Businesses that have suffered physical damage and are at risk of closure or significant employment loss can have grants extended up to \$100,000. Businesses must have suffered eligible uncompensated losses as a direct result of Superstorm Sandy, Hurricane Irene, or Tropical Storm Lee.
- **Coastal Fishing Industry Businesses:** Provides additional grant assistance of up to \$50,000 to affected businesses or individuals qualified as a Coastal Fishing Industry that are eligible for assistance under the Small Business Recovery Grant Program. Businesses that are eligible for additional assistance under the Coastal Fishing Industry Program are not eligible for additional assistance under the Seasonal Tourism Industry Program.
- **Seasonal Tourism Industry Businesses:** Provides additional grant assistance of up to \$50,000 to eligible seasonal tourism businesses that are eligible for assistance under the Small Business Recovery Grant Program. Businesses that are eligible for additional assistance under the Seasonal Tourism Industry Program are not eligible for additional assistance under the Coastal Fishing Industry Program.

- Small Business Mentoring Program: Provides a web-based platform for small businesses to connect with larger, mentor businesses and/or business professionals. This is a \$3 million program that is implemented by NY Empire State Development to provide eligible technical or legal assistance and business coaching to assist businesses in rebuilding their businesses and become more resilient in the face of future disaster events. Consultants and business coaches may be made available to small businesses, as defined by the SBA, to discuss business development and recovery issues.
- Tourism and Marketing Program: Provides up to \$30 million in assistance to NY Empire State Development to implement a tourism and marketing program designed to promote the storm-impacted areas of New York State.

**Agency:** Department of Labor

**Program:** Unemployment Insurance

**2013-14 Appropriation (or Contribution/Fee Level if applicable):** As of January 1, 2014 the wage base for unemployment insurance contributions became \$10,300. The maximum weekly benefit amount for unemployment insurance remained at \$405 and the minimum benefit amount remained at \$64.

**2014-15 Appropriation (or Contribution/Fee Level if applicable):** On January 1, 2015 the wage base for unemployment insurance changed from \$10,300 to \$10,500. On October 6, 2014 the maximum weekly benefit amount increased from \$405 to \$420 and the minimum weekly benefit amount increased from \$64 to \$100.

**2015-16 Appropriation (or Contribution/Fee Level if applicable):** On January 1, 2016 the wage base for unemployment insurance will change from \$10,500 to \$10,700. On October 5, 2015 the maximum weekly benefit amount will increase from \$420 to \$425 and the minimum weekly benefit amount will remain at \$100. On October 3, 2016 the maximum rate will increase to \$430 while the minimum rate will remain at \$100.

**Summary:** Save New York Employers money: Reform will save the State's over 500,000 employers an estimated \$400 million by both paying off New York State's debt to the federal government more quickly and by implementing other reform measures such as new programs to address fraud, adding incentives for claimants to return to work sooner and reducing layoffs. Reforms will stabilize the trust fund, making projected costs more predictable to small businesses.

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**Agency:** Department of Labor

**Program:** Increase in the State Minimum Wage and an increase in the cash wage for tipped workers in the Hospitality Industry

**2014-15 Appropriation (or Tax/Fee Level if applicable):** Effective December 31, 2014, the State Minimum Wage became \$8.75 per hour, the tipped cash rates remained \$4.90, \$5.00, and \$5.65.

**2015-16 Appropriation (or Tax/Fee Level if applicable):** Effective December 31, 2015 the new State Minimum Wage will be \$9.00 per hour for most workers. Effective December 31, 2015 tipped workers in the hospitality industry will receive a cash wage of \$7.50.

**Summary:** Within the Hospitality Industry, tipped cash rates are currently \$4.90, \$5.00, and \$5.65. For all other industries, the current minimum wage in New York State is \$8.75 per hour with few exceptions. Using the latest annual average data available from the Current Population Survey, the Department of Labor estimates that there are currently 608,900 workers in New York State making less than \$9.00 per hour. The estimated impact on all firms will be \$102.5 million in the first quarter of 2016. The estimated impact on small firms (those that employ less than 100 employees) will be \$59.8 million in the first quarter of 2016, a fraction of their estimated \$60 billion payroll for that period.

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**Agency:** Department of Environmental Conservation (DEC)

**Program:** State Pollutant Discharge Elimination Systems (SPDES) fees. The SPDES program is designed to eliminate the pollution of New York waters and to maintain the highest quality of water possible-- consistent with:

- public health;
- public enjoyment of the resource;
- protection and propagation of fish and wildlife; and
- industrial development in the state.

While no application fees are charged for review of permit applications, DEC assesses permittees for annual Environmental Regulatory Program Fees based on the type of facility, the type of authorization, and the discharge volume.

**2014-15 Appropriation (or Tax/Fee Level if applicable):** The table below reflects the fee changes from existing law prior to the 2015-16 Enacted Budget.

	<b>CURRENT FEE</b>	<b>2015-16 ENACTED FEE</b>
Stormwater		
- Existing acres	\$100	\$110
- Future impervious	\$600	\$675
All other general permits (except MS4)	\$100	\$110
Industrial		
- Less than 10,000	\$600	\$675
- 10,000 - 99,999	\$2,000	\$2,300
- 100,000 - 499,999	\$6,000	\$6,700
- 500,000 - 999,999	\$20,000	\$22,500
- 1,000,000 - 9,999,999	\$30,000	\$33,500
- 10,000,000 or more	\$50,000	\$56,000
Power Plants	\$50,000	\$56,000
Private/ Commercial/ Institutional		
- Less than 100,000 gpd	\$300	\$330
- \$100,000 or more	\$600	\$675
Municipal		
- Less than 200,000	\$375	\$425
- 200,000 - 999,999	\$1,875	\$2,000
- 1,000,000 - 4,999,999	\$7,500	\$8,000
- 5,000,000 - 39,999,999	\$15,000	\$15,500
- 40,000,000 or more	\$37,500	\$38,500

**Summary:** The 2015-16 Enacted Budget increases certain SPDES program fees to reflect an increase close to the latest consumer price index (CPI) rate. Some of the rates have not been adjusted since 1989. The additional revenues raise an additional \$1.6 million annually.

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**Agency:** Department of Taxation and Finance

**Program:** Chapter 59 of the Laws of 2015 (2015-16 Enacted Budget) allowed for the reimbursement of petroleum business tax paid on highway (taxable) diesel motor fuel used in farm production (exempt). This change takes effect immediately.

**2015-16 Appropriation (or Tax/Fee Level if applicable):** Without this clarification, the petroleum business tax on highway diesel motor fuel used for farming purposes would apply.

**Summary:** The ability of farmers to request a refund for the portion of highway diesel motor fuel used in farm production relieves them of the need to maintain separate tanks for taxable and non-taxable diesel fuel.

**Impact:** State revenues are estimated to decrease by a minimal amount.

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**Agency:** Department of Taxation and Finance

**Program:** Chapter 59 of the Laws of 2015 (2015-16 Enacted Budget) extended the current wine tasting exemption to beer, cider and liquor. This part also clarified that tastings could occur off-premise. In addition, items (such as bottles, caps, corks and labels) that are used at the tastings are exempt from use tax. This change takes effect immediately.

**2015-16 Appropriation (or Tax/Fee Level if applicable):** Without this exemption, the items used at the tastings would be subject to the use tax.

**Summary:** This exemption encourages more tastings to occur in the State which is an important marketing tool for wine, beer, cider and liquor producers.

**Impact:** State revenues are estimated to decrease by a minimal amount.

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