



May 22, 2020

RE: **COVID-19 Related Legislative Action**

Unshackle Upstate is a non-partisan, pro-taxpayer, pro-economic growth, education and advocacy coalition made up of chambers of commerce, trade associations, job creators and taxpayers throughout Upstate New York.

Our mission is to advocate for fiscally responsible policies that support a vibrant Upstate economy. Through controlled spending, reduced taxes, and regulatory reforms, we believe Albany can help grow the economy in communities throughout Upstate New York.

As the legislature reconvenes to take up measures related to this public health crisis, we urge members to recognize the significant economic impact of this crisis, as well. Individuals and businesses are facing significant financial challenges that highlight the critical need to restart New York's economy as soon as possible.

As reported this week, more than 1.8 million New Yorkers have filed unemployment claims. According to the non-partisan Tax Foundation, this represents more than 22% of the state's civilian workforce. New York is already one of nine states that have been approved for a federal loan in anticipation of our unemployment trust fund running out of money. Absent a swift economic recovery that gets New Yorker's back to work, our state faces even steeper fiscal challenges and higher federal unemployment taxes that we simply cannot afford.

New York businesses have also been devastated during this crisis. According to the Small Business Administration, more than 81,000 federal PPP loans have been issued in New York – totaling more than \$20 billion. While this may provide some temporary relief, these businesses have had their incomes limited or shut off completely throughout this crisis. Every day this pause goes on more businesses announce permanent closure. A recent study from the US Chamber of Commerce found that 43 percent of small businesses believe that have less than six months before they face permanent closure. This kind of economic loss would devastate an already struggling Upstate economy.

As businesses seek to recover from the COVID-19 crisis, the state should take immediate action to support and expedite the reopening process. Additionally, leaders in Albany should flatly reject any policy that would hurt our economy. New York already had one of the harshest business climates in the country prior to this crisis. Imposing new burdens on struggling businesses at this time would be reckless and make a bad situation far worse.

We strongly encourage the legislature to consider the positions below as they take up legislation related to the COVID-19 crisis. The focus now must be on protecting public health and getting the New York economy back on track.

Unshackle Upstate Supports the Enactment of the Following Items:

- **Enact S.8231 (Carlucci) / A.10297 (Zebrowski)**, legislation which would exclude unemployment charges caused by the impact of COVID-19 from being used to calculate an employer's experience rating. This bill will take the important step of ensuring businesses do not face higher insurance premiums because of unemployment claims caused by the COVID-19 crisis.
- **Enact health-crisis liability protections for businesses** that follow official guidance for safety protocols, such as those specified by OSHA, CDC, and federal and state authorities. As we gradually reopen our economy, these protections will give businesses the confidence to reopen without the threat of litigation and lawsuits. *
- **Enact S.5954-A (Kaplan) / A.6309-A (Schimming)**, legislation that reduces the tax rate for small businesses from 6.5% to 4%. This legislation would also expand the small business exemption from 5% to 15% for certain small businesses and farms.
- **Enact S.8372 (Jordan)**, legislation to provide small businesses affected by COVID-19 an additional 90 days to pay certain monthly sales and payroll taxes. This proposal would help ease some of the burden on New York's small businesses, by providing them with additional time to pay their sales and payroll taxes.
- **Enact S.8373 (Jordan)**, legislation that would provide small businesses affected by COVID-19 an additional 90 days to pay certain premiums for workers' compensation insurance. This proposal would provide businesses short time relief by allowing businesses additional time to cover their insurance premiums.
- **Enact S.7354 (Kaplan)**, legislation to allow for small businesses of 50 employees or fewer to deduct the cost of their membership dues to their local chamber of commerce. Chambers and trade groups have served frontline resources for small businesses across the state during this crisis. Supporting membership in these organizations will make the reopening process more effective and expedite efforts to safely get Upstate New York back to work.

Unshackle Upstate Opposes the Following Items:

- **Oppose S.8266 (Ramos) / A.10401 (Simotas)**, legislation that includes COVID-19 as a presumptive occupational disease under workers' compensation. This unnecessary legislation would shift significant cost to the workers' compensation system, dramatically increasing premiums for New York's small businesses. A recent analysis from the New York Compensation Insurance Rating Board determined the cost impact of this legislation to the state's workers' compensation system could be as high as \$31 billion.
- **Oppose S.8309 (Hoylman)**, legislation that would allow workers to receive unemployment insurance benefits after quitting, refusing to return from furlough or being terminated from a workplace. Businesses are eager to provide a safe environment for their customers, employees, and themselves. This type of proposal presents a false narrative of employers, will impede businesses ability to recover from this crisis and will further burden New York's unemployment insurance program.

- **Oppose S.8308 (Liu) / A.10437 (Rozic)**, legislation that would establish a so-called “essential workers’ bill of rights”. In reality, this proposal would create another layer of guidance for employers, further complicating the reopening guidance. The legislation would also dramatically increase costs for employers to reopen by imposing steep hazard pay and health and childcare obligations, ultimately stymieing economic recovery efforts.
- **Oppose S.8191 (Parker) / A.10360 (Carroll)**, legislation that prevents an individual, business or association from continuing to charge membership fees during a state disaster emergency. Chambers of commerce and trade associations have provided unprecedented support to members and non-members during this crisis. This broad legislation restricts their ability to collect membership fees that support staff and programming needs.
- **Oppose S.8125 (Gianaris) / A.10224 (Niou)**, legislation that would suspend rent for 90-days for any residential or commercial tenant that has experienced a loss of income related to COVID-19. This legislation would merely shift economic challenges from one group to another, hurting many mom and pop small business landlords in Upstate New York.
- **Oppose unemployment insurance trust fund assessments on businesses.** Due to state-imposed restrictions on business, more than 1.8 million New Yorkers have filed unemployment claims. To cover these claims, New York is reportedly seeking \$4.4 billion in federal loans to support the UI system. Albany must not shift those costs to struggling businesses who have already faced steep financial challenges during this crisis. *

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