



UPSTATE UNITED

TROUBLING TRENDS

NEW YORK STATE'S \$9 BILLION UNEMPLOYMENT INSURANCE CRISIS

Employers across New York – many of which are still struggling to recover from the impacts of the COVID-19 pandemic – are now facing a \$9 billion tax hike. This crisis has been building over the last 20 months.

To address the unemployment insurance trust fund shortfall, which was caused by the loss

of 2 million jobs, New York borrowed \$11.9 billion from the federal government. As of September 2, New York still owes Washington \$9 billion.

Unless New York takes swift action, the state's borrowing will result in many employers paying a 254% UI tax increase in 2025 according to Comptroller Thomas DiNapoli.

There is a solution to this crisis. New York can pay down its debt and fully fund its UI trust fund using unspent federal dollars from COVID-19 relief programs.

Failing to do so will stick overburdened businesses across New York with a \$9 billion tax hike and stall our economic recovery.

32 MORE THAN HALF THE STATES IN THE U.S. ARE USING FEDERAL RELIEF PROGRAMS TO ADDRESS THEIR UI FUNDING ISSUES.

#1 GEORGIA LEADS THE NATION IN UI TRUST FUND INVESTMENT USING FEDERAL RELIEF MONEY TOTALING \$2.2 BILLION.

Source: National Conference of State Legislatures, ARPA State Fiscal Recovery Fund Allocations, Unemployment Trust Fund

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NEW YORK'S BUSINESS TAX CLIMATE IS AMONG THE WORST IN THE NATION.

Source: Tax Foundation, 2021 State Business Tax Climate Index

“STATE POLICY MAKERS SHOULD PURSUE ALTERNATIVES SUCH AS ADDITIONAL FEDERAL SUPPORT AND THE USE OF FEDERAL ECONOMIC ASSISTANCE TO MITIGATE THE IMPACT ON NEW YORK BUSINESSES IN THE MIDST OF AN UNCERTAIN ECONOMIC RECOVERY.”

- NEW YORK STATE COMPTROLLER THOMAS DINAPOLI

