

**Penta** Policy Insiders

# New York Insights Review

Economic Development and Taxation

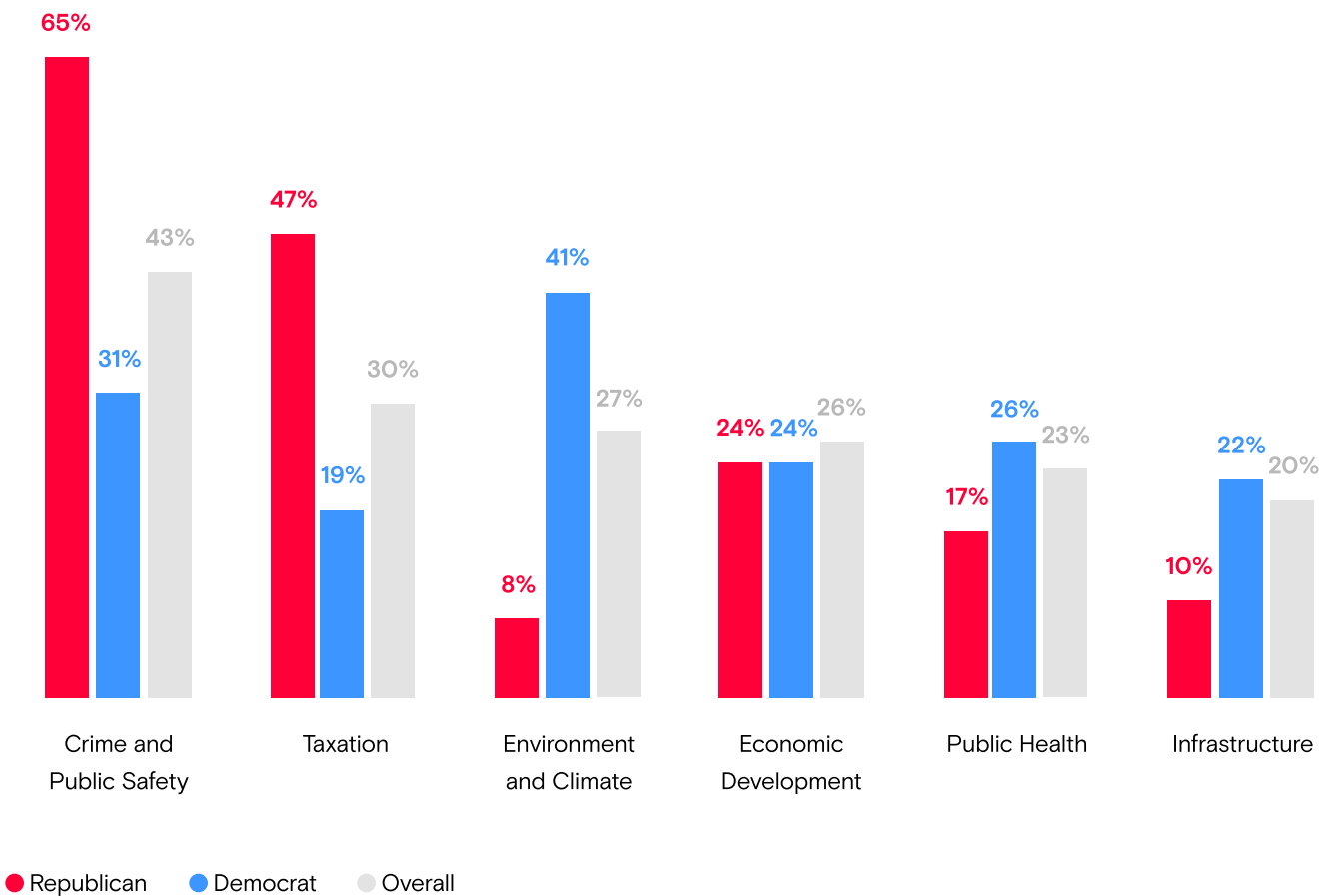
# Executive summary

We are delighted to share our findings from this year's New York Insights Review. From September to December 2022, we surveyed and spoke with over 230 state and local policymakers in New York to understand their main policy priorities and key concerns.

Public safety rose to the top of New York policy leader priorities, with nearly half ranking it as a top issue. In 2022, crime in the state was up by 22 percent. While trends show a decline in percentage of major crimes this year, policy staff say public safety is nevertheless a top issue for the communities they serve.<sup>1</sup> Policymakers also cite environmental and climate issues as key priorities for the state, with more than a quarter selecting it as at top challenge. Our research also finds that economic development is a primary concern for policymakers, with policy staff citing taxation and inflation as hurdles to growth for the state.

**This report is the fourth in a series that examines three of New York policymakers' top policy priorities, which include (i) Crime and Public Safety (ii) Environment and Climate (iii) and (iv) Economic Development.**

## Top policy priorities in New York



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New York deep dive

# Economic development and taxation

One of the most notable challenges in the state of New York is economic development, with 26 percent of policymakers identifying it as a top priority. Policy leaders cite widespread issues with inflation and manufacturing, as well as taxation.

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**Inflation, that's top of mind for everybody.** Mostly like groceries and heating bills and things like that.

**Legislative Director, New York State Legislature, D**



**The biggest obstacle that I believe manufacturers face is having enough working-age people to work there.** It's a huge challenge for a lot of them.

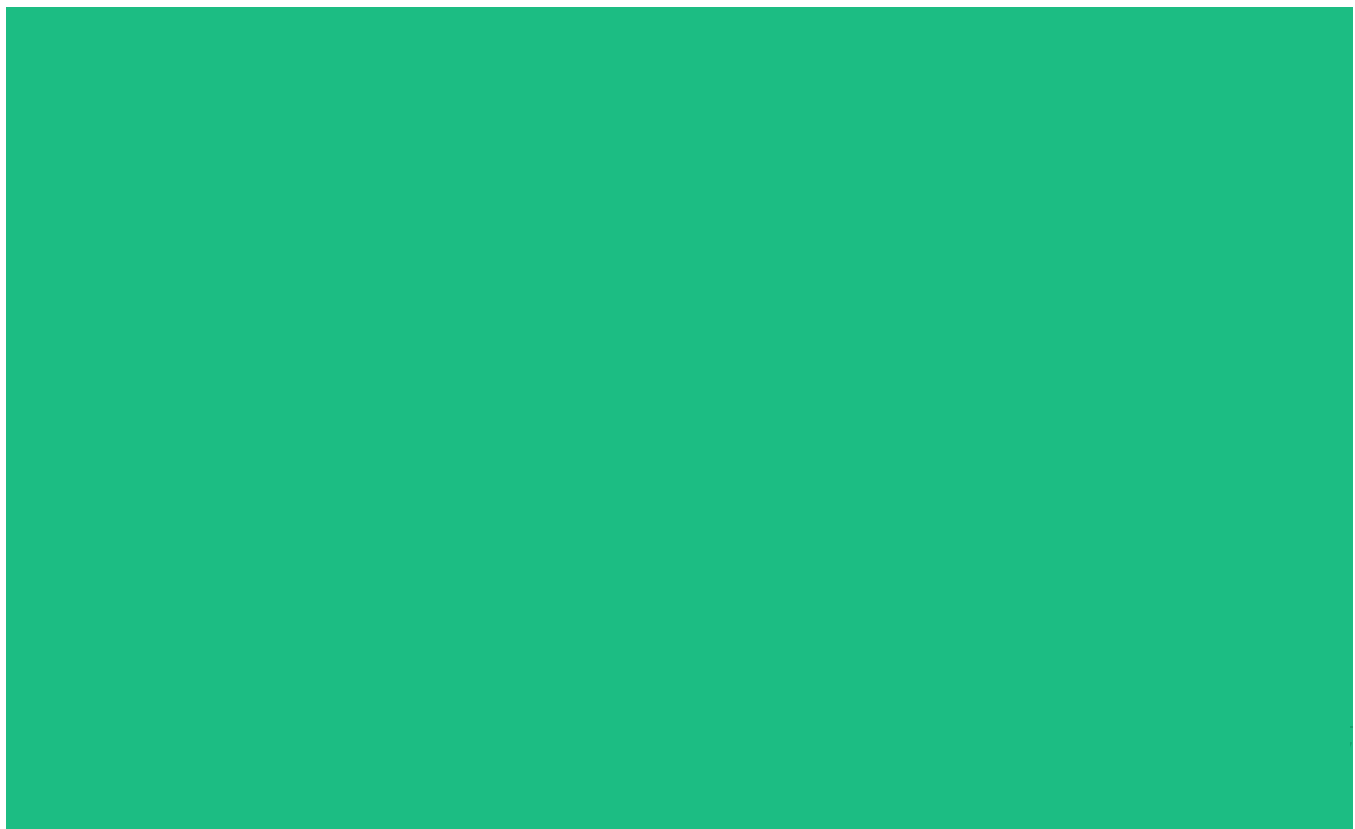
**Economic Development Specialist, New York Executive Branch, I**



I would say regulations [are a pressing issue]. Over the last— I don't know how many years, 10 years, **we've cut a lot of the taxes, even though we'll talk about taxes being high in New York, which they are.** But for manufacturing, we've cut most of the taxes. But **we still slap them with a lot of regulations that they have to file.**

**Regional Office Director, New York State Legislature, R**

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## Taxes in New York

Policymakers in New York – 30 percent – say improving tax policy is a top priority. Some policy staff in the state say the Covid-19 pandemic has impacted New York City’s ability to collect taxes, as many of the city’s citizens have moved out of the city. In fact, since the Covid-19 pandemic, the state has seen the largest population decline in the country, leaving New York officials thinking about ways to enact tax relief measures and support New York’s economy.<sup>2</sup> As part of a broader effort to bolster economic development in the state,, policy staff have also indicated support for tax credits to help drive an increase in electric vehicles and affordable housing in the state.

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**New York City is the slowest city to be recovering from the COVID situation, and people who have left are not coming back.** And so that's going to impact their tax structure because they have a separate income tax on people who work in New York City. Well, **if they aren't in New York City, then they can't pay that tax.**

**Senior Attorney, New York Executive Branch, R**



**A lot of our programs that we did have were incentivizing rent stabilization in New York.** What we do is get tax breaks, right. Basically, you don't pay property taxes for like 35 years as long as you enter this program. And what that means is for 35 years you get tax breaks and all you have to do is provide housing, and you're limited to how much you can raise the rent.

**Legislative Director, New York State Legislature, D**



**I think the tax credits [for electric vehicles] have always been helpful. They've always been very well-received.** Tax credits probably also would be helpful for businesses that put them in. And that would essentially be the government role to offer tax credits to both the consumer, the end user who's going to buy the vehicles, as well as the businesses that put them in.

**Economic Development Specialist, New York Executive Branch, I**

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## Conclusion

New York policymakers highlight economic development as a top priority, and are specifically concerned with taxation and manufacturing in the state – with some policy leaders expressing support for tax credits to support the increase of electric vehicles and affordable housing. Policy staff also cite inflationary pressures as a potential hindrance to the economic prosperity in the state, and believe improving tax policy in the state will help improve the state’s economy.



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## About Penta Policy Insiders

Penta Policy Insiders provides direct feedback from policymakers to government relations professionals, improving advocates' ability to understand, validate, and improve the efficiency and effectiveness of their engagement.

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### Citations

1. <https://www.ny1.com/nyc/all-boroughs/news/2023/03/03/nypd-february-2023-crime-statistics>
2. <https://www.news10.com/news/ny-news/report-new-york-had-largest-population-decline-amid-pandemic/>

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Qualitative n: 20 | Quantitative n: 231

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