

Business leader: state a “mess”

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Feb-26-10

Topics: Taxes



Saying New York state is “a mess,” a leading advocate in Albany for small business urged Westchester business owners to be seen and heard in unprecedented numbers in the state Capitol to reverse the state’s runaway spending and approaching fiscal disaster.

“It is very, very bad up there,” Michael Elmendorf, state director of the National Federation of Independent Business, recently told a Westchester County Association luncheon audience in White Plains. “You really can’t overstate the condition we are in” New York has the second-highest cost of doing business in the U.S., surpassed only by Hawaii, Elmendorf said. Only New Jersey has a worse business tax climate in the nation than New York’s, he said. This state’s per capita spending is second only to Alaska’s, he added.

New York, said the former aide to Gov. George Pataki, has lost 2 million people in the last decade, the largest net outmigration among states in the nation. That exodus represents \$4.5 billion in lost income revenue, according to the Internal Revenue Service, he said.

Calling the state’s 2009 budget “an unmitigated disaster” with its \$8 billion tax increase, the largest in state history, Elmendorf said Gov. David Paterson’s proposed 2010 budget is “a lot better,” containing a 0.7 percent spending increase that is lower than the inflation rate and “only” \$1 billion in new fees and taxes. “We like a lot of what he is trying to do,” he said.

“If we’re going to fix this, we need to address spending,” as Paterson has done in his executive budget, said Elmendorf. But the state Legislature is not expected to go along with cuts in health care and educational spending. In Albany, “When bad decisions are made, we invariably get the bill,” he said of the state’s business sector.

Elmendorf said businesses need to show up in numbers in Albany to counter the long-dominant public employee unions and “their spending lobby.” “So far this business community has not been able to do the same thing” as the powerful union lobby, he said. “That’s what needs to change.”

“This is unquestionably a crisis that the state hasn’t seen before,” Elmendorf said. The crisis can be an opportunity for the business lobby to “up our game” and reshape legislative policy. “We have got to turn this thing around in the right direction or I’m not sure what we do,” he said.

“We’ve got to wake these people up and if we can’t wake them up, we’ve got to throw them out in November,” the NFIB director said.