

FEWER JOBS CREATED IN RETURN FOR TAX BREAKS IN NEW YORK



A report released on Tuesday shows that job gains in New York dropped by 2,417 compared to 2011 despite \$554 million in tax exemptions in 2012. The New York Industrial Development Agencies, which is the development program for local governments, provided support for some 4,500 projects in 2012, according to The Poughkeepsie Journal.

Thomas DiNapoli, the comptroller, said that IDAs in the state of New York increased the value of tax exemptions by 9.4 percent in 2012. There were 112 IDAs in 2012. Despite this, the number of jobs gained from those projects dropped by 1.1 percent. In 2011, there were 216,519 jobs. In 2012, there were 215,519 jobs.

"I continue to stress the need for more accountability and disclosure to ensure taxpayers are getting their money's worth," DiNapoli said in a statement. "New Yorkers should not be left to doubt the effectiveness of providing businesses with tax breaks and other benefits."

This year, Governor Andrew Cuomo is promoting tax-free zones near college campuses in an effort to promote job growth because the state has some of the highest taxes in the country.

The executive director of the state's Economic Development Council, Brian McMahon, said that the average tax break is \$2,500 per new job created. McMahon said that the amount of projects dropped because of the economy and also said that a couple massive developments could change the annual numbers.

"When you look at the average cost per job created, it's a little over \$2,500," said McMahon, whose group represents the IDAs. "And by any measure, that's pretty darn good, and it demonstrates a very effective and very efficient economic development program."

The tax breaks have been criticized heavily by Sen. Liz Krueger, a Democrat from Manhattan. Krueger said that the report from DiNapoli was "more evidence that New York state is wasting state taxpayers' money on tax credit giveaway deals for special interests that cost the rest of us hundreds of millions of dollars annually, and accomplish nearly nothing for public policy or economic development."

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