



Legislation Details (With Text)

File #: Res 1742-2013 **Version:** * **Name:** Allow a tax credit for business owners who employ individuals who have been unemployed for at least six months.

Type: Resolution **Status:** Filed

In control: Committee on Finance

On agenda: 4/25/2013

Enactment date: **Enactment #:**

Title: Resolution calling on the New York State Legislature to introduce and pass, and the Governor to sign, legislation which would allow a tax credit for business owners who employ individuals who have been unemployed for at least six months.

Sponsors: Peter F. Vallone, Jr., Leroy G. Comrie, Jr., Mathieu Eugene, Lewis A. Fidler, Vincent J. Gentile, Peter A. Koo, Deborah L. Rose, Jumaane D. Williams, Ruben Wills

Indexes:

Attachments:

| Date | Ver. | Action By | Action | Result |
|------------|------|--------------|-----------------------------|--------|
| 4/25/2013 | * | City Council | Introduced by Council | |
| 4/25/2013 | * | City Council | Referred to Comm by Council | |
| 12/31/2013 | * | City Council | Filed (End of Session) | |

Res. No. 1742

Resolution calling on the New York State Legislature to introduce and pass, and the Governor to sign, legislation which would allow a tax credit for business owners who employ individuals who have been unemployed for at least six months.

By Council Members Vallone, Comrie, Eugene, Fidler, Gentile, Koo, Rose, Williams and Wills

Whereas, In December 2007, the nation officially entered into a recession, with the national unemployment rate peaking at 10.0 percent; and

Whereas, The recession hit New York City a short while after, and the City's unemployment rate reached a high of 10.0 percent in September 2009; and

Whereas, While the nation and the City's unemployment rate has slowly and steadily decreased since the Fall of 2009, both communities have experienced, and continue to experience, a state of joblessness; and

Whereas, Many individuals who became unemployed during the recession have yet to find employment; and

Whereas, Many argue that as the length of time between employment and unemployment increases for an individual, the chances of such individual finding employment decreases; and

Whereas, According to the National Employment Law Project (“NELP”), many employers exclude unemployed jobseekers from consideration based on the unfair assumption that those who are unemployed lack the necessary skills and work ethic needed for the job; and

Whereas, In a 2011 examination of online job posting websites, NELP found more than 150 advertisements over a four-week period that included language that explicitly required the applicants to be currently employed; and

Whereas, Shortly after the recession, many states, including New York, passed legislation to prevent discrimination against the unemployed in the hiring process; and

Whereas, New Jersey and Oregon have passed laws prohibiting employers from using language in job advertisements that clearly excludes unemployed applicants; and

Whereas, The District of Columbia not only bars discriminatory job advertisements, but it also prohibits employers from considering unemployment status when making employment decisions; and

Whereas, Last month, New York City adopted Local Law 14 of 2013, which not only bars discriminatory job advertisements, and prohibits employers from considering unemployment status when making employment decisions, but also subjects businesses to private actions for unemployment based discrimination claims and disparate impact claims; and

Whereas, Even with these protections, more needs to be done to incentivize business owners to hire currently unemployed job applicants once their employment status is known to the potential employer; and

Whereas, On March 28, 2010, President Barack Obama signed the HIRE (Hiring Incentives to Restore Employment) Act of 2010 <http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_bills&docid=f:h2847enr.txt.pdf>, which, among other things, provides a general business tax credit of up to \$1,000 per previously unemployed worker who was: 1) hired between February 3, 2010 and January 1, 2011 by the employer; 2) unemployed for at least sixty days prior to hiring; and 3) retained by the employer for at least one year; and

Whereas, The following year, President Obama proposed the American Jobs Act of 2011 (S.1549/H.R.2421), which creates a \$4,000 tax credit for employers who hire anyone who has been unemployed for at least six months (“long-term unemployed”), and retain such person for at least one year; and

Whereas, On the state level, Florida, Maryland, Alabama, and New Jersey have all passed legislation providing tax credits or tax deductions to employers who hire unemployed job applicants; and

Whereas, In New York, on June 18, 2012, the New York State Senate passed Hire Now-NY (S.7664), legislation that would provide a tax credit to employers who hired an unemployed individual before April 1, 2013, and employed such individual for at least one year; and

Whereas, The credit would equal 6.85 percent of the gross wages paid to the employee, up to \$8,000; and

Whereas, No action has been taken in the New York State Assembly on this legislation; and

Whereas, While the New York State legislation encourages hiring those who are unemployed, individuals who have been unemployed for six months or longer still face greater difficulty in obtaining a job than their recently unemployed counterparts because of the unfair correlation many employers make between unemployment and competency and ambition; and

Whereas, Providing a tax credit to business owners who employ individuals who are long-term unemployed will level the playing field between the long-term unemployed and the recently unemployed; now, therefore, be it

Resolved, That the Council of the City of New York calls on the New York State Legislature to introduce and pass, and the Governor to sign, legislation which would allow a tax credit for business owners who employ individuals who have been unemployed for at least six months.

LS4404
TE4-8-13

