

February 26, 2025

RE: Joint Legislative Public Hearing on 2026 Executive Budget Proposal: Topic Economic Development

Thank you for this opportunity to provide comments on the proposed Executive Budget. Thank you for the opportunity to provide comments that support creating good family and community sustaining jobs in the semiconductor industry. Jobs to Move America is a strategic policy organization focused on making sure our public investments do the most public good -- creating good jobs, opportunities, and healthier communities.

Every year, New York state awards billions of dollars in economic incentives to support job creation and community investment. For example, Micron, a major strategic advanced tech investment in the state, has the potential to create 40,000 jobs in New York. However, in order for New York state taxpayers to get the benefit of these incentives, there must be measures in place to hold companies accountable to their commitments.

We propose clarifying that recipients of economic incentives under the Excelsior Jobs Program must report on the specific commitments contained in their agreements. This clarification will ensure that our investments in the semiconductor manufacturing industry will deliver meaningful, successful outcomes for New York's workforce.

#### **Excelsior Jobs Program & Semiconductor Tax Credits - FY26 Budget Proposal**

In her 2026 Budget proposal, Governor Kathy Hochul proposed the creation of new tax incentive programs to support semiconductor companies in New York, ([Revenue Article VII](#)). All of these tax credits are administered by Empire State Development Corporation (ESD). In order to ensure ESD enforces stronger accountability standards for all semiconductor tax credit recipients, we would like to pursue several amendments to the proposed budget. New York has the opportunity to lead the way by improving the evaluation process for tax incentives and adopting a Workforce Training Plan as well as a Jobs Plan.

#### **Excelsior Jobs Program**

We propose clarifying the reporting section of the Excelsior Jobs Program to include a robust evaluation and public reporting process to ensure these investments result in good jobs. This clarification will ensure that our investments in manufacturing, including the Governor's newly proposed Semiconductor Supply Chain Tax Credit, will deliver meaningful, successful outcomes for New York's workforce.

#### ***Semiconductor Workforce Training Tax Credit***

[In her 2026 Budget proposal](#), Governor Kathy Hochul proposed the creation of a Semiconductor Workforce Training Tax Credit which would provide a credit up to twenty-five thousand dollars per eligible employee receiving training, for non-semiconductor manufacturers up to one million dollars, and for semiconductor manufacturers up to five million dollars. The proposed amendment would, for example, encourage recipients to utilize registered apprenticeship programs through the completion of a Workforce Training Plan. In general, the proposed amendments would improve existing enforcement mechanisms to ensure compliance and accountability is built into the application and reward process.

#### ***Large Scale Semiconductor Research & Development Tax Credit***



In order to attract large scale semiconductor research and development projects to the State of New York Governor Hochul proposed the creation of a Research and Development (R&D) tax credit for large scale semiconductor companies equal to fifteen percent of the cost of the investment. The proposed amendment has recipients fill out a Jobs Plan detailing at a minimum full time jobs created, and wage and benefit amounts, with a focus on jobs created or retained for marginalized individuals as well as for registered apprenticeship programs.

Building off of the federal government's investment in the semiconductor industry, New York State has already attracted significant projects with the Green CHIPS Act. For example, Micron, a Green CHIPS Incentive recipient, may create up to 40,000 jobs. These investments have the possibility to bring thousands of good jobs to New York. However, in order for taxpayers to benefit from these, there must be clear and specific requirements in place to hold companies accountable to their commitments. These investments will make New York State the new hub of domestic semiconductor manufacturing, and with clear worker and community standards, New York can also lead the nation in ensuring these investments create good paying community sustaining jobs.

Respectfully submitted,

On behalf of Jobs to Move America