



Good morning, Chairpersons and members of the Senate and Assembly Committees,

My name is Randy Wolken, and I serve as President and CEO of MACNY -- The Manufacturers Association and the Manufacturers Alliance of New York State. MACNY represents over 350 manufacturers across Central Upstate New York. These companies provide over 200 thousand high-quality jobs and serve as the backbone of our regional economies. The Manufacturers Alliance represents all manufacturers from Long Island to Buffalo.

Thank you for the opportunity to testify today and thank you for your continued engagement with the manufacturing community.

Let me begin by acknowledging the meaningful progress New York has made in strengthening its economic foundation. Under Governor Hochul's leadership, and in partnership with this Legislature, the State has demonstrated a strong commitment to:

- Workforce development and apprenticeship expansion
- Advanced manufacturing and semiconductor growth
- Supply chain resiliency initiatives
- Clean energy investment
- Regional economic development strategies

We appreciate the collaborative work between the Executive and the Legislature to advance policies that support innovation, strengthen communities, and attract private-sector investment. There is real economic momentum in many parts of our state, and that progress reflects deliberate policy choices made by both branches of government.

### **Concern Regarding Proposed Decoupling (REV Parts F and G)**

It is in that spirit of partnership and shared goals that we respectfully raise concerns about the proposed decoupling provisions in Parts F and G of the Executive Budget. These provisions would decouple New York from key federal manufacturing tax provisions related to:

- Research and development expensing, and
- Qualified production property depreciation.

Federal policy is structured to encourage companies to invest in innovation, modernization, and domestic production by allowing faster cost recovery. That alignment improves cash flow and reduces risk during periods of significant capital investment. Decoupling moves New York in a different direction.

### **Why This Matters for Manufacturers**

Manufacturers make long-term, capital-intensive investment decisions. Whether expanding a facility, installing advanced machinery, modernizing production lines, or investing in research and development, these decisions require significant upfront capital and multi-year planning. Under decoupling, state-level taxable income increases in the very year those investments are made. While this may appear to be a technical change, it directly affects project economics, particularly for companies deciding where to place new investments.

New York competes every day with other states and global locations for manufacturing growth. Maintaining alignment with federal policy reinforces the message that New York welcomes capital investment and innovation. Decoupling risks introducing uncertainty at a time when stability and predictability matter most.

### **Fiscal Considerations**

We recognize and respect the State's responsibility to manage its finances prudently. However, the proposed decoupling primarily affects the timing of revenue collection rather than the total amount collected over time. Allowing faster cost recovery may reduce revenue in the early years of an investment, but over the life of the depreciation or amortization schedule, the revenue effect generally evens out. The more important question is whether the investment happens here at all.

If capital projects are delayed, reduced, or located elsewhere, New York risks losing not only timing but long-term growth in jobs, wages, and tax base expansion. Protecting investment protects future revenue. We believe there are thoughtful approaches that could address near-term fiscal considerations while preserving the competitiveness of New York's manufacturing sector.

### **Impact on Small and Mid-Sized Manufacturers**

Many of our members are small and mid-sized businesses structured as pass-through corporations (LLCs, S corporations) or family-owned enterprises.

For these firms:

- Cash flow matters deeply,
- Administrative complexity carries real costs, and
- Investment decisions are often made on tight margins.

Decoupling increases complexity and raises near-term tax liability precisely when companies are investing in automation, new equipment, workforce training, and innovation.

These ripple effects extend to suppliers, contractors, and communities across our state.

## **Conclusion**

New York has made important strides in strengthening its manufacturing base. We commend both the Administration and the Legislature for the policies that have supported workforce growth, advanced manufacturing, and regional development. We respectfully urge you to preserve that momentum by maintaining alignment with federal research and investment policy.

A pro-growth approach that encourages innovation and capital investment will:

- Retain and grow high-quality jobs
- Strengthen local supply chains
- Expand the State's long-term tax base
- Reinforce New York's competitiveness

Thank you for your time and leadership.

I would be happy to answer any questions.

**ABOUT MACNY:** [MACNY, The Manufacturers Association](#), is a 113-year-old non-profit organization representing manufacturers and other non-industrial service providers throughout Central New York. With a commitment to enhancing economic development and workforce opportunities, MACNY serves as an advocate for manufacturers, offering a wide array of programs and services to help businesses grow and thrive in a competitive global market.

**ABOUT THE MANUFACTURERS ALLIANCE OF NEW YORK:** The Manufacturers Alliance of New York is a statewide organization comprised of nine manufacturing associations, united to advocate for the manufacturing community in Albany and Washington.