



TESTIMONY OF STEVEN FULOP, PRESIDENT AND CEO OF PARTNERSHIP FOR NEW YORK CITY

**Before the New York State Senate and Assembly Joint Legislative Hearing on
Taxes, February 26, 2026**

Chairpersons and members, thank you for the opportunity to testify.

New York cannot tax its way to affordability and raising corporate taxes now would make the state less competitive at exactly the wrong moment.

My name is Steven Fulop, President and CEO of the Partnership for New York City. Our members, more than 350 leading companies, support nearly one million jobs across New York.

I want to speak candidly about what we are hearing directly from employers. Multiple major firms have indicated to us that they are pausing net new hiring in New York in the current environment. In addition, one large employer is already well advanced in evaluating the relocation of approximately 5,000 jobs to Texas, including several thousand currently based in New York City.

These are not public announcements - but they are real conversations happening in boardrooms right now.

You don't solve an affordability crisis by squeezing the economy - you solve it by growing paychecks. Wage growth driven by strong job creation is what gives families lasting relief.

The concern is not simply one move. It is the cumulative signal we are sending. In an increasingly mobile economy, we should be careful about creating the perception that New York is daring its largest employers to look elsewhere. That is a risky game to play with a sector that remains the backbone of the state's economy.

What successful states do well is not mysterious - they align public policy with their core economic strengths.

Texas openly embraces energy as a pillar industry and builds policy around it.

California, despite its regulatory posture, has consistently protected and cultivated its technology ecosystem.

Massachusetts has deliberately structured policy to grow life sciences and biotech.

New York's equivalent sector is financial services - a global industry that supports hundreds of thousands of middle-class jobs across the five boroughs and the broader region, far beyond Wall Street itself.

Yet too often, our policy posture toward this sector feels adversarial rather than strategic.

I understand the fiscal pressures facing the state. I have balanced budgets as a mayor. But in today's economy, growth decisions are highly mobile, and tax policy cannot be viewed in isolation.

The real question before us is whether New York is aligned across taxes, regulation, workforce, legal structure, and capital markets to remain competitive for the investment that supports middle-class jobs and long-term growth.

Today, we are already operating in one of the highest-tax business environments in the nation.

Under proposals now under discussion, the State's top corporate rate would rise from 7.25% to 11.5%. In New York City, that would push the combined top marginal corporate rate to roughly 22.5% - among the highest of major U.S. business centers.

That is not a marginal change. It is a market signal.

And critically, it does not take a "mass exodus" to create real fiscal consequences. Ten or fifteen major taxpayers adjusting their hiring plans, their expansion plans, or their location decisions can materially impact revenues — and more importantly, jobs.

The greatest risk is the steady drift:

- one expansion that happens elsewhere
- one new venture that launches elsewhere
- one headquarters decision that quietly goes to another state

We are already seeing coordinated competition.

Texas, for example, is pairing tax advantages with aggressive deal-closing incentives and a deliberate push into capital markets, including the planned Texas Stock Exchange. Since 2015, more than 300 headquarters have relocated to Texas, and last year Texas surpassed New York in financial services employment.

That is not accidental. It is strategy.

Meanwhile, New York businesses already shoulder one of the heaviest overall tax burdens in the country. Layering a substantially higher corporate rate on top of that risks shifting New York's brand from the place to build to the place to budget around.

If we get this wrong, the outcomes will be devastating over time. You won't see it overnight, but it will accelerate for certain.

Our recommendation is straightforward:

Do not move forward with corporate tax increases this year and let's change the conversation. This is the moment for a serious competitiveness agenda—one that:

- reduces structural cost pressures
- improves regulatory predictability
- strengthens the workforce pipeline
- modernizes New York's legal and capital-markets environment

If we want investment to stay and grow here, the question cannot simply be what can we tax - it must be what are we delivering.

Thank you for your time. I look forward to your questions.

The Partnership for New York City represents the city's leading businesses who support nearly 1 million jobs in the state and deliver approximately \$263 billion in economic output. We work together with the government, labor, and the nonprofit sector to maintain the city's position as the preeminent global center of commerce, innovation, and economic opportunity.