

FINANCE

Albany considers tax-free savings plans for small biz

Similar to IRAs, tax-deferred accounts could fund new jobs

By CLAUDE SOLNIK

New York legislators are considering new rules that would allow small businesses to set aside money, tax-free, to fund new jobs.

Legislation has been introduced in the state Assembly and state Senate that would allow companies with up to 50 employees to create tax-deferred

savings accounts similar to individual retirement accounts; companies would be able to deposit and withdraw funds, tax-free, in order to create new full-time jobs.

Federal legislation also is being prepared that would let small companies create similar accounts exempt from federal taxes, and allow companies to withdraw funds tax-free during documented economic hardships.

"It creates a very effective direct stimulus structure that we didn't have before," said Nathalia Rogers, director of Dowling College's American Commu-

nities Institute and one of the creators of the legislation. "We give stimulus to large automakers, AIG and other large businesses, but we have no direct stimulus for small businesses."

The idea for the tax-deferred small business account came from a study Rogers did with a \$200,000 Small Business Administration grant. State Sen. Jack Martins, R-Garden City, has sponsored the bill, now before the state Senate, and said Rogers has been "at the point of the spear" on the tax-free plan.



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Calculator



THE DECLINE IN NATIONAL NEW HOME SALES IN MARCH (EQUAL TO AN ANNUAL RATE OF 384,000 SALES), COMPARED TO MARCH 2013.

Source: Freddie Mac

Stock Watch

Long Island tech companies (hardware and software)

"Tech on Long Island" may automatically inspire thoughts of giants like CA, but Long Island also is home to smaller tech companies such as FalconStor and Park Electrochemical. Some are doing well on Wall Street, others are lagging.

STOCK/SYMBOL	EXCHANGE	PRICE*	52WK HIGH	52WK LOW	MKT CAP
CA Technologies/CA	Nasdaq	30.17	36.22	25.77	13.52B
Park Electrochemical/ PKE	NYSE	26.80	30.64	22.31	559.32M
FalconStor Software/FALC	Nasdaq	1.60	1.97	0.88	76.84M
Hauppauge Digital/ HAUP	OTC Markets	0.14	0.98	0.11	1.42M
Jaco Electronics/JACO	OTC Markets	0.15	0.5	0.02	944.1K

*As of April 25

Source: Yahoo Finance



The Statement

"A lot of our business owners operate as flow-through entities, so their tax rates are tied to the individual rates. Minimizing taxes is a main component to their sound financial planning. It has got to the point where tax planning, which was always very important, has become critical."

Carolyn Mazzenga, partner in charge of the Long Island office for Marcum LLP

Bottom Line

Where the jobs are: As of March, a breakdown of jobs in the Greater New York Region showed an unemployment rate hovering around the national average (6.7 percent on April 25), with Nassau workers doing slightly better than their Suffolk counterparts.

Source: New York State Department of Labor

Region	Labor Force	Employed	Unemployed	Unemployment rate
Nassau-Suffolk	1,462,500	1,371,700	90,800	6.2
Nassau County	683,200	643,800	39,400	5.8
Suffolk County	779,300	727,900	51,400	6.6
New York State	9,591,700	8,854,700	737,000	7.7
New York City	4,094,000	3,743,700	350,300	8.6

