



New York Farm Bureau

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MEMORANDUM OF SUPPORT

Senate Bill 702 (Senator Kaplan)

AN ACT TO AMEND THE TAX LAW, IN RELATION TO ESTABLISHING SMALL BUSINESS SAVING ACCOUNTS

Date: 1/19/2021

New York Farm Bureau, the state's largest agricultural advocacy organization, would like to express its support for this legislation. This legislation would direct the commissioner of the Department of Taxation and Finance to establish minimum standards for small business savings accounts or enter into agreements that meet these standards to administer small business savings accounts.

This bill would direct the commissioner to establish standards for small business savings accounts while minimizing fees, risk and loss of principal. Under this legislation small businesses are encouraged to put money into this savings account that would be distributed during periods of economic hardship including job retention or creation as well as during natural disasters. These qualified distributions would not be included in gross income. Small businesses including many farms are still suffering from the economic hardships of 2008 and are unable to secure loans or lines of credit. The small business savings account would help mitigate this challenge many small business owners are facing.

Today's farm economy is a constant challenge for New York farmers. Having the accessibility to a small business savings account would be beneficial in helping farmers afford some of the hardships ahead.

For these reasons, New York Farm Bureau respectfully requests your support of this legislation.