



New York City Comptroller
John C. Liu

STATEMENT

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**LIU STATEMENT ON CITY’S
\$127 MILLION FRESH DIRECT GIVEAWAY**
Details Small-Biz Tax Cut to Spur Economic Development

NEW YORK, N.Y. — City Comptroller John C. Liu today cast the lone “no” vote on the Industrial Development Agency’s \$127 million subsidy for Fresh Direct, which received final authorization. He stated the following:

“This was a bad idea when it was first voted on a year ago, and it’s an even worse one today. New York City needs jobs, particularly in the Bronx, but this is a wasteful way to do business that picks taxpayers’ pockets in order to reward fat cats.

“During the Bloomberg Administration, the Economic Development Corporation has doled out hundreds of millions of dollars in corporate welfare to companies that fail to deliver on their promise of jobs for New Yorkers, and we have no reason to believe this will be any different.

“Even if the EDC’s dubious projections turn out to be accurate, the Fresh Direct deal will go down as yet another Bloomberg big business boondoggle. Spending roughly \$127 million to create 964 new jobs—\$131,397 per job—just doesn’t make economic sense.

“Instead of these big corporate giveaways, our tax dollars would be better spent helping level the playing field for a truly vital engine of job growth in New York City, small businesses.”

At a press availability, Liu spoke about his proposals to end subsidies for big corporations and instead create \$400 million in savings for small businesses. In particular, he called for:

- Eliminating the City’s General Corporation Tax for the 240,000 businesses with annual tax bills under \$5,000
- Exempting businesses that make less than \$250,000 in annual income from the City’s Unincorporated Business Tax
- Reducing fines on small businesses

Background

In April 2013, Comptroller Liu released The People’s Budget, which details his proposals to eliminate giveaways for big corporations and cut taxes and fines for small businesses by \$400 million. More info is available here (particularly on pages 5 – 8 and 41 – 42):

<http://www.comptroller.nyc.gov/bureaus/opm/reports/2013/NYC-Comptroller-Liu-Peoples-Budget.pdf>

In March, 2012, Comptroller Liu released an audit that found the EDC gave \$318 million to companies that didn't deliver the promised jobs:

http://www.comptroller.nyc.gov/press/2012_releases/pr12-03-025.shtm

In February 2012, Comptroller Liu's Office voted against approving the Fresh Direct subsidy:

http://www.comptroller.nyc.gov/press/2012_releases/pr12-02-015.shtm

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