

**A RESOLUTION TO BE SUBMITTED BY  
LEGISLATORS LORIGO, DIXON, MILLS, AND RATH**

**Re: Opposition to removal of the tip credit for tipped food service employees**

**WHEREAS**, Governor Cuomo has proposed ending New York State's tip credit for tipped food service employees; and

**WHEREAS**, tip credit is the difference between what a tipped employee makes and what the established minimum wage is. This lower minimum wage for tipped employees allows employers to save money on their cost of labor and allows tipped workers to earn additional income through tips from customers; and

**WHEREAS**, elimination of the tip credit would lead to increased costs for employers, which would be passed on to customers or eliminated through a decrease in employee hours. Further, elimination of the tip credit would decrease the main incentive customers have to tip service employees all together; and

**WHEREAS**, the practice of tipping often leads to workers earning well above the prevailing minimum wage and as a result a decrease in tips offered will harm workers in the end. Further, the restaurant industry relies on the tip credit to manage labor costs, which helps many of these small businesses operate in an industry with exceptionally high failure rates in the first few years; and

**WHEREAS**, Governor Cuomo is working to find a solution to a problem that doesn't exist, citing sexual harassment and racial discrimination associated with tipping practices as reason for the elimination of the tip credit; and

**WHEREAS**, New York State, with the 4<sup>th</sup> highest cost of doing business according to a CNBC poll, has the reputation for having a hostile business climate encouraging many businesses, and therefore residents, to leave our state. Elimination of the tip credit and raising the cost to operate a restaurant will only serve to increase the perception that New York State does not support businesses.

**NOW, THEREFORE, BE IT**

**RESOLVED**, that this honorable body goes on record opposing the elimination of the tip credit and supporting our tipped workers in the service industry; and

**RESOLVED**, that certified copies of this resolution be sent to Governor Andrew Cuomo, the Western New York Delegation to the New York State Senate and Assembly, and any other party deemed necessary and proper.

Fiscal Impact: None for Resolution