



NEW YORK STATE SENATOR

Patty Ritchie

## Senator Ritchie Hails New ‘Middle Class Tax Cut’

PATTY RITCHIE December 7, 2011

| ISSUE: **ECONOMIC DEVELOPMENT**



## THE MIDDLE CLASS TAX CUT & JOB CREATION PLAN

### **Nearly 100,000 CNY, NNY Constituents to See Relief**

State Senator Patty Ritchie today is hailing a Middle Class Tax Cut that lowers taxes for tens of thousands of taxpayers in Oswego, Jefferson and St. Lawrence County, putting millions of dollars back into the local economy and helping small businesses create jobs.

The action will reduce income taxes for nearly every taxpayer in Central and Northern New York, with most of the benefit targeted to Middle Class taxpayers: single filers earning \$20,000 or more, and joint filers with incomes of \$40,000 or more. Previously, those taxpayers were counted in the state’s top tax bracket. It’s estimated that the average Middle Class taxpayer will see savings of between \$200 to \$400 next year.

“I think New Yorkers are taxed enough, and I was glad to support this sweeping tax cut that will benefit tens of thousands of hardworking, middle class men and women in my district and across New York State by letting them keep more money in their pockets, to use as they want,” Senator Ritchie said.

The Middle Class Tax Cut plan will directly benefit 4.4 million New Yorkers—saving them a total of \$690 million next year—and doesn’t raise taxes on even a single person.

Taxpayers should start to see a modest increase in their take-home pay starting January 1. The Middle Class Tax Cut is part of a sweeping overhaul of New York's tax code—the first in more than 50 years—that revises tax brackets, eliminates “bracket creep,” and lowers tax rates across the board. Unlike some earlier proposals, the plan isn't designed to raise additional revenues for government, and isn't linked to massive spending hikes but, rather, aims to boost the state's economy and help businesses create jobs. The plan was endorsed by the state's leading employer groups, including small business-led NFIB, the Business Council of NYS and Unshackle Upstate, a low-tax group.

Key provisions of the plan include:

- Moves millions of Middle Class taxpayers out of the state's top tax bracket. The new top bracket kicks in at \$2 million of income, up from the previous, \$40,000 threshold for joint filers;
- Reduces tax rates across the board;
- Indexes rates to inflation, eliminating “bracket creep,” and providing millions of dollars in savings to Middle Class taxpayers in future years;
- Lets thousands of small businesses and farmers to escape the top bracket, reducing their taxes;
- A 50 percent cut in corporate taxes paid by Upstate manufacturers, providing a critical boost for a struggling sector that still employs a half million New Yorkers;
- Exempts private and parochial schools from a payroll tax, a top priority for the region's religious leaders;
- Establishes a \$1 billion, non-taxpayer funded “infrastructure investment fund” to undertake an aggressive campaign of public works projects across the state, in part to address an alarming increase in deficient roads and bridges;
- Provides recovery grants for communities, farmers and businesses impacted by this year's devastating floods, linked to the preservation of jobs.

“With this Middle Class Tax Cut, our state government has come together on three priorities that will give a much-needed break to overburdened New York taxpayers, provide a boost to manufacturers and small businesses, and to give our economy the jolt it needs to create jobs and get New Yorkers back to work,” said Senator Ritchie.

“It's a perfect complement to efforts this year that have also included the first no-new-spending budget in 15 years, gaining control over the size of government, and helping to finally rein in the out-of-control local property taxes and spending.”