NEW YORK STATE SENATOR

Charles J. Fuschillo Jr.

Senator Fuschillo Statement on Passage of Tax Cut, Economic Development, & Infrastructure Improvement Plan

CHARLES J. FUSCHILLO JR.   December 8, 2011

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"I am pleased that the Legislature and the Governor worked together in a bipartisan fashion to address the right priorities needed to help our economy grow; cutting taxes, creating jobs, and upgrading our infrastructure. In stark contrast to Washington, which is plagued by partisan gridlock, New York State is addressing the critical issues we face and delivering the results that residents expect and deserve.

Working together, we delivered $690 million in personal income tax relief for over 4.4 million taxpayers, allowing them to keep more of their hard-earned money. Middle-class taxpayers will see the lowest tax rates in 50 years and no New York State resident will see an increase in the income tax rate they are currently paying.

We also cut taxes and reduced business costs, which is critically important for economic development. The MTA payroll tax will be eliminated for nearly 80 percent of the businesses currently paying it. This tax, which I strongly opposed, has been a burden on small businesses which raised costs and discouraged job creation. Eliminating this tax will help businesses save money which can be reinvested into creating jobs and growing their business.

Additionally, we took a great first step towards addressing our state's infrastructure crisis with an infrastructure fund that will raise $1 billion in private capital dedicated to infrastructure improvement projects. In addition, we gave the state's principal transportation agencies the flexibility to utilize design-build procurement methods to expedite critical infrastructure projects. Both of these measures will help create jobs and get our economy moving forward. The state should also build on these steps by continuing to explore public-private partnerships as a way to finance and deliver infrastructure projects and put people back to work.

These are all positive steps in the right direction for New York State which build upon the successes of this past year; eliminating a $10 billion budget deficit, reducing spending, and new tax relief. I look forward to continuing that work in the coming year."

HIGHLIGHTS OF THE MIDDLE CLASS & BUSINESS TAX CUT AND JOB CREATION PLAN

Tax Cuts:

* $690 million in personal income tax relief for over 4.4 million taxpayers, allowing them to keep more of their hard-earned money.
* Middle-class taxpayers will see the lowest tax rates in 50 years.
* No New York State resident will see an increase in the income tax rate they are currently paying.

* "Stealth tax" eliminated by adjusting income brackets by the rate of inflation.

Annual Income (Married):	Current Tax Rate	New Tax Rate
$40,000-$150,000	6.85%	6.45%
$150,000-$300,000	6.85%	6.65%
$300,000-$2 million	7.78%-8.97%	6.85%
$2 million+	8.97%	8.82%

Annual Income (Single):	Current Tax Rate	New Tax Rate
$20,000-$75,000	6.85%	6.45%
$75,000-$200,000	6.85%	6.65%
$200,000-$1 million	7.78%-8.97%	6.85%
$1 million+	8.97%	8.82%

MTA Payroll Tax Repeal:

* The MTA payroll tax will be repealed for approximately 80 percent of the businesses currently paying it, including:

   * businesses with total payroll expenses under $1.25 million
   * self-employed individuals with an income under $50,000

* Businesses with total payroll expenses between $1.25 million and $1.75 million will have their payroll tax rate reduced.

* These reforms will save businesses approximately $250 million dollars which they can reinvest into job creation and business growth.

Infrastructure:

* New infrastructure fund that will raise $1 billion in private capital dedicated to road, bridge and other infrastructure improvement projects.

* State's principal transportation agencies given the flexibility to utilize design-build procurement methods to expedite critical infrastructure projects.

* Both of these measures will help create jobs and get our economy moving forward.