



NEW YORK STATE SENATOR

Joseph P. Addabbo Jr.

NYS Senator Joseph P. Addabbo, Jr. Statement on Budget Legislation and Middle Class Tax Cut

JOSEPH P. ADDABBO JR | December 13, 2011

| ISSUE: **BUDGET**

Queens, NY, December 13, 2011 -- *I am thankful to have been given an opportunity to give the middle class of this state a long-overdue and certainly needed State income tax break. The restructuring of New York State's tax code creates a fair and progressive tax system and provides equity to citizens across this city and state.*

Also included in the legislative package that I supported was the elimination of the MTA payroll tax for private and parochial schools, as well as small businesses with a payroll under \$1.25 million. These funds to the MTA are to be included in the budget negotiations for the Fiscal Year 2012-2013 State Budget.

The other parts of the legislation that included programs for job creation, capital improvements and youth employment also had merit.

Now for the harsh reality: while I believe we took a step in the right direction for those individuals and entities who truly needed financial relief--and I give Governor Cuomo credit for guiding this state in that positive direction--I cannot ignore the fact that we still are facing serious fiscal challenges next year.

Even though we addressed the approximately \$300 million budget deficit in this year's budget, there still remains roughly a \$2 billion deficit for next year. Coupled with a 4% increase in education and Medicaid funding in the Fiscal Year 2012-2013 budget, severe funding cuts to most every state agency is certainly a possibility. Individuals with disabilities and our seniors can hardly withstand another round of harsh budget cuts to their critical programs. Additionally, the lack of federal funding could cause more drastic fiscal measures to be taken in our state.

I am also concerned over the vague language in the legislation that purports to restore any shortfall in MTA funding given the elimination of the payroll tax. I am confident that my colleagues in government will work together to avoid any reduction in public transportation service or fare increases.

I look forward to returning to Albany after the holidays to continue the work on our state's fiscal issues, the needs of my people, and the issue of redistricting.

###