



NEW YORK STATE SENATOR

Kathleen A. Marchione

## Senator Marchione Supports Elimination of 18-A Utility Tax Surcharge

KATHLEEN A. MARCHIONE March 4, 2013

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### **SENATOR KATHLEEN MARCHIONE SUPPORTS ELIMINATION OF UTILITY TAX SURCHARGE FROM EXECUTIVE BUDGET**

#### *Senator Marchione says New York ratepayers need real cost relief*

New York State Senator Kathleen Marchione (R,C-Halfmoon) today joined Senate Republican Leader Dean Skelos, Members of the Senate Republican Conference and leaders of statewide business organizations in urging Governor Cuomo to remove the proposed extension of the utility tax surcharge from his 2013-14 Executive Budget to provide real cost relief for New York ratepayers. The 18-a surcharge, which has increased utility bills for every ratepayer in the state, is scheduled to expire on March 31, 2014. The Governor's proposed five-year extension would cost businesses and consumers a total of almost \$3 billion.

"New Yorkers pay some of the nation's highest energy costs. High energy prices hurt family budgets and drive away small businesses looking to expand or locate their operations here. Ratepayers deserve real cost relief, which is why I support removing the proposed extension of the 18-a surcharge from the Governor's spending plan. Every little bit helps – whenever, wherever, however we can reduce the astronomical cost of living in our state, we should. We need to take more common sense steps like this to reduce the expense of energy so New York can become a less costly, more affordable place to live, work and operate a business," Senator Marchione said.

The proposed 18-a extension would cost energy ratepayers \$509 million for this year and the following four years, as well as \$255 million in state fiscal year (SFY) 2018-19. The total impact of the extension would be \$2.8 billion, with most of the burden falling on small and large businesses, particularly manufacturers that use large amounts of energy. Senate Republicans said the Governor should use the 21-day amendment process to remove the proposed extension from his budget plan. The actual impact on the SFY 2013-14 budget of ending the surcharge would be \$236 million, a small amount in the context of a \$136.5 billion budget.

According to figures from National Grid, the impact of the energy tax extension on a typical large business is estimated at \$30,000 per year. The added cost on a typical small business would be about \$540 per year and average household utility bills would increase by \$55 per year.