



NEW YORK STATE SENATOR

Jack M. Martins

Senator Martins Joins With Colleagues to Unveil Family Tax Relief Act

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The 2013 Family Tax Relief Act

CUTTING TAXES FOR YOUR FAMILY



Proposal Would Cut Taxes By \$2 Billion

New York State Senator Jack M. Martins and his Republican colleagues in the Senate joined together to announce a package of tax relief and reform measures to give an economic boost to New York taxpayers. The current proposal is in line with Senator Martins' previous efforts

to provide his constituents with meaningful relief during these difficult economic times.

Having already been successful in lowering the State's income tax rates and repealing the MTA Payroll Tax, Senator Martins and his colleagues went to work on a plan to provide taxpayers with more tax relief by increasing tax breaks and restoring the STAR rebate check program.

The tax breaks, in some instances, have not been adjusted for over 25 years. The time to adjust is now, Senator Martins contends, since New Yorkers, particularly heavily-taxed Long Islanders, are in need of tax relief as costs continue to rise.

The plan also restores the STAR property tax rebate check program to provide real and direct relief to millions of New Yorkers who pay some of the highest property taxes in the country. The STAR rebate checks are separate from the STAR or Enhanced STAR exemptions to which residents may already be entitled. These rebates, which were eliminated in 2009, before Senator Martins took office, would provide a shot in the arm for New Yorkers who have been hit hard by rising costs and the recent expiration of the federal payroll "tax holiday" which has resulted in smaller paychecks for us all.

"New Yorkers, particularly here on Long Island, continue to struggle with rising costs and they have had to make do with less. We have the opportunity to make things a little easier by providing tax breaks and reinstating the STAR rebate checks program, which should never have been eliminated. We need to lead the way in showing our communities that the way to improve our economy is by putting more money in the pockets of our residents." Senator Martins said. "That's what we're here for – to help our taxpayers get through a difficult economic time."

The Senate plan would: more than double the value of the Dependent Exemption; increase the Child Tax Credit and provide an additional \$500 child tax credit; increase the value of the Dependent Care Credit; and restore STAR property tax rebates.

The current \$1,000 value of the Dependent Exemption was last updated in 1987. At that time, gasoline was just 89 cents-per-gallon. Since then, inflation has degraded the value of that exemption to the point where it has become nearly meaningless. The value of similar family tax credits have also been eroded significantly and would be adjusted by the Senate Republican Family Tax Relief Plan.

For a family with an annual income of \$55,000 and two children, the total increased tax savings would be \$1,036 and a single parent with one child and an income of \$45,000 per year would see an additional savings of \$811 under the Senate plan.

The Senate Republican Family Tax Relief Act includes the following:

Increase Dependent Exemption

- > Increase the Dependent Exemption from \$1,000 to \$2,020 per dependent;
- > Allow a subtraction from gross income for each dependent the taxpayer claims;
- > Dependent Exemption was last increased in 1987.

Increase Dependent Care Credit

- > The Dependent Care Credit, which is a percentage of the federal credit, allows taxpayers a tax credit for the expenses incurred for the care of a child;
- > Dependent Care Credit last increased in 1999;

> Our plan will increase the percentage range of the federal child care credit that parents can receive, from 20 percent to 110 percent (depending on income), to 27 percent to 150 percent of the federal child care credit.

Increase Child Tax Credit

> Increase the maximum Child Tax Credit from \$330 to \$375 to adjust for inflation;

> Child Tax Credit last amended in 2006;

> Our plan increases the Child Tax Credit from 33 percent of the federal child tax credit to 37.5 percent;

> In New York State, married-joint filers with income less than \$130,000 (federal), who have a child that is between the ages of 4 and 16, can receive the credit;

> Provide an additional \$500 Child Tax Credit per family.

Restore STAR Property Tax Rebate Checks

> Restore STAR Rebate Check Program to provide an estimated additional \$1.3 billion in tax relief; This will provide real and direct relief to millions of people across the state, including seniors and middle class families.

Restoring STAR Rebate Checks would provide an additional total of approximately \$1.3 billion in tax relief. The average statewide rebate check would be \$445. The average enhanced STAR rebate check for seniors would be \$460.

These proposals would build on the Senate Republican's record of providing tax relief to middle class families, especially through the historic property tax cap which finally put the brakes on skyrocketing property taxes, and the 2011 middle class tax cut that reduced income

tax rates to the lowest levels in more than half a century.

To download a complete overview of the plan, click on this link:

http://www.nysenate.gov/files/pdfs/2013_Tax_Relief_Powerpoint.pdf