



NEW YORK STATE SENATOR

Charles J. Fuschillo Jr.

## Senator Fuschillo Supports Family Tax Relief Act

CHARLES J. FUSCHILLO JR. March 7, 2013

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### *Proposal Would Increase Tax Credits to Help Families & Restore STAR Rebate Checks to Provide Property Tax Relief*

Senator Charles J. Fuschillo, Jr. (R-Merrick) recently announced his support for the Family Tax Relief Act, a package of tax relief and reform measures designed to provide a major economic boost to struggling middle class families.

The plan would increase tax breaks that have not kept pace with inflation, and, in some instances, haven't been adjusted for more than 25 years. The plan would also restore the STAR property tax rebate check to provide real and direct relief to Long Island families who pay some of the nation's highest property taxes.

"High taxes, a challenging economy, and rising costs on all types of necessary items are stretching family budgets to the breaking point. However, many of the tax credits designed to help them have not been increased in years, and in some cases decades. Updating these tax credits will help provide families with desperately needed tax relief and help them keep more of their hard earned money," said Senator Fuschillo.

As one example, the current \$1,000 value of the Dependent Exemption was last updated in 1987. Since that time, gas prices increased by 347%, a gallon of milk costs 64% more, and the

cost of a dozen eggs is 147% higher. However, since the dependent exemption has not been increased, inflation has reduced its value to practically nothing. The value of other tax credits have been similarly eroded and would be updated under the plan.

The Family Tax Relief Act would:

#### 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 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;
- 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;

- Increase 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 additional real and direct tax relief to homeowners throughout Long Island, including seniors and middle class families.

Overburdened families would receive significant savings under the plan. A married couple with two children and an adjusted gross income of \$100,000 would save over \$800 in taxes under the plan. That same couple would receive over \$300 in additional savings through the STAR property tax rebate checks.