



NEW YORK STATE SENATOR

Betty Little

Senate approves budget that cuts taxes, keeps state spending within two percent cap

BETTY LITTLE March 27, 2013

| ISSUE: **BUDGET**

"The new budget keeps state spending below a two percent cap for a third consecutive year, funds programs and services important to many in our communities and includes new tax relief to help families and businesses. On-time is what should always be the case, but doing so three years in a row, given the past track record, is a good trend.

"School aid will increase nearly \$1 billion. This funding is very important for districts seeing pension and health care costs rise and trying to operate within the property tax cap. The pension stabilization plan proposed by the governor and modified by the Legislature and Comptroller will give schools and local governments an option to control one of their biggest cost drivers.

"The budget increases funding for local road and bridge repair by \$75 million, the first increase in five years. That's going to help all of our communities.

"The phase-in increase of the minimum wage is a compromise that reflects the reality of higher expenses for workers but also a weak economy and the challenge many small business owners face trying to meet payroll. A refundable tax credit for businesses employing teenage employees will help ensure that higher wages don't result in fewer jobs being available.

"Although my colleagues and I proposed a complete elimination of the 18-a utility tax, to help businesses and homeowners, the agreement reached includes a three year phase-out. The budget creates a new tax credit for any business that hires a returning veteran. Most families with kids will see a tax refund next year through a new rebate and the STAR program grows by \$300 million over the next two years. The budget also ensures the continuation of the lowest state income tax rates for middle-income taxpayers in 60 years.

"I am disappointed the budget does not fully restore funding for programs serving the developmentally disabled. This issue is complicated by a settlement reached by the federal government and state related to Medicaid overpayment. It is something my colleagues and I are very concerned about and will work to address in the months ahead to minimize the impact on critically important local programs."