



NEW YORK STATE SENATOR

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## Senate Republicans Issue Report on Tax Reform

DEAN G. SKELOS November 19, 2013



State Senate Republicans today issued a comprehensive report on state taxes that calls for personal income taxes, business taxes, estate taxes and local property taxes to be reformed, simplified and reduced. The report makes sweeping recommendations for reducing the tax burden on all New Yorkers. The plan recommends enacting a permanent two-percent state spending cap and dedicating surplus revenues to tax reductions.

The report was developed based on testimony at a series of statewide public hearings conducted by Senator John A. DeFrancisco, Chairman of the Senate Finance Committee, and Senator Carl L. Marcellino, Chairman of the Committee on Investigations and Government Operations. The report will be shared with the tax reform commissions established by Governor Cuomo for their review.

“It’s unacceptable that New York ranks 50th in business tax climate and first in population loss. Senate Republicans are recommending strong and dramatic actions to improve our business climate, create good jobs, and give families the opportunities they need to stay in New York,” Senate Republican Leader Dean Skelos said. “We are proposing a plan to greatly reduce the tax burden on New Yorkers at every level, making it more competitive for businesses to locate and grow here. There is nothing more progressive than empowering the private sector to create good-paying jobs.”

“I want to thank Senators DeFrancisco and Marcellino, as well as the many members who participated in these hearings, for their outstanding work,” Senator Skelos said. “Senate Republicans will be pushing hard for enactment of our tax reduction and reform plan because it will mean a brighter future for families, individuals, and businesses across the entire state.”

“Over the last few years, New York State government has taken steps in the right direction to improve the fiscal health of our state, reduce the tax burden and eliminate obstacles that prevent businesses from thriving,” Senator DeFrancisco said. “Yet, we should never stop looking for new ways to reform and improve our tax policies, cut our taxes and encourage economic growth. Our recommendations will help us shape a new tax reform and reduction proposal that fits the demands and realities of a 21st century economy.”

“Our recommendations to reform and reduce taxes will help ensure a brighter, stronger and more prosperous future for New York,” Senator Marcellino said. “Our proposals would also make staying in New York not only more attractive, but the preferred option for young New Yorkers, middle class families, senior citizens, and private sector businesses.”

Highlights of the recommendations made in the preliminary Senate report include, among other things:

- > Enact a permanent two-percent cap on state spending growth and dedicate every dollar of surplus savings to tax reduction;
- > Create an optional simple personal income tax calculation;
- > Make inflation adjustments for income brackets permanent so a taxpayer’s tax burden is not increased simply due to normal wage growth;
- > Eliminate unfair tax treatment by making all retirement income tax-free to encourage seniors to stay in New York;
- > Dramatically reform and reduce property taxes to provide relief for hardworking families;

- > Accelerate reductions in the 18-a utility tax surcharge to two years, fully eliminating the surcharge in SFY 2016-17;
- > Reform New York's onerous Estate Tax to protect family farms and small businesses and eliminate the incentive to transfer wealth to other states;
- > Reduce corporate tax rates with the goal of elimination;
- > Eliminate the corporate tax on manufacturers;
- > Eliminate the MTA payroll mobility tax on government entities to prevent double taxation; and
- > Eliminate the MTA-region car registration and driver's license fee increases enacted in 2009.

“Just reshuffling the deck by cutting some taxes and raising others won't be enough to turn our economy around,” Senator Skelos said. “Raising taxes on things like gas and clothing will only increase the tax burden on businesses and families, especially in rural and suburban New York. We have to stay focused on cutting taxes, not increasing them.”

Over the past two months of public hearings, the committees heard testimony, received written communications and met with New York's business leaders and stakeholders across the state. There were consistent themes that emerged from job creators: the need for broad-based tax reductions in corporate and personal income taxes, with the inclusion of some of the more important tax credits, and the need for simplicity in the tax code.

The report outlines some of the Joint Committee's initial findings and outlines a plan that will make it easier for businesses, residents and retirees to stay and thrive in this state.

It will be used to help guide the Senate Republican Conference's efforts as the 2014 Legislative Session and the 2014-15 State Budget process gets underway.

[Click here to view the report.](#)