



NEW YORK STATE SENATOR

Dale M. Volker

## Reducing Your Tax Burden

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New York has led the nation in cutting taxes to provide savings to our families and stimulate our economic recovery. Once again this year, the state budget contains significant tax cuts that will benefit all New Yorkers and help our economy to continue growing strong.

Highlights of the \$1.3 billion tax cut plan include the reduction or elimination of the state Gross Receipts Tax on energy, a top budget priority for the Senate, an increase in the standard deduction for married couples and a first-in-the-nation full tax deduction for the cost of college tuition.

The tuition tax deduction will help many families bridge the gap between savings and other resources to help make a college education affordable. Meanwhile, our energy tax cuts will provide relief to homeowners while also helping to level New York's energy taxes with those of other states, making our state more alluring to businesses seeking to build new factories and create jobs.

Another economic development tax cut initiative is a \$250 million expansion of the successful Power for Jobs program, already credited with creating and retaining thousands of jobs for working New Yorkers. The initiative will make available an additional 300 megawatts of low-cost energy to New York industries that promise to expand or maintain

their workforce here.

Other highlights include:

\* the tuition tax deduction, part of the Senate's "College Bound" initiative, will allow families and individuals to deduct the full cost of college tuition up to \$10,000 per student each year. Taxpayers who do not itemize can claim a tax credit equal to 4 percent of college tuition costs. Savings to taxpayers are expected at \$200 million when fully implemented;

\* a reduction of the Gross Receipts Tax on energy will save industry, businesses and residential electric and natural gas customers \$330 million when fully effective. The plan eliminates the GRT for manufacturers and commercial users, and slashes the tax on residential customers by 40 percent;

\* an expansion of the state Earned Income Tax Credit will provide \$125 million in direct tax savings to lower-income taxpayers as an incentive to keep them in the workforce and off public relief;

\* an increase in the standard deduction for couples who do not itemize on their tax returns will save these taxpayers \$200 million annually and reduce the so-called "marriage penalty."

The

standard deduction will rise to \$14,600 from \$13,000 over two years.