



NEW YORK STATE SENATOR

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Open Your Wallets on June 1st

JAMES L. SEWARD May 21, 2009

Starting June 1st, New Yorkers will be shelling out more of their hard earned cash as a result of tax increases passed as part of the 2009-10 state budget. These new taxes are just one of several reasons why I voted no on the budget, and continue to look for new avenues of tax relief.

Every month brings a new round of tax and fees hikes proposed by the governor and approved by out of touch Albany politicians. We have already seen the price go up on wine and beer, and starting in June taxes will be higher on bottled water, internet purchases and auto insurance. In addition, June 1st tax hikes will hit companies that transport employees in and out of New York and double a state fee on auto insurance policies.

The biggest hit is yet to come. This fall homeowners will feel the pinch again when they don't get their STAR rebates checks to help pay their property taxes because the Democrats took them away.

I voted against the state budget and proposed an alternative plan that would have avoided the \$8.5 million in tax and fees increases. I also proposed amendments to the budget to eliminate the tax hikes and restore the STAR rebate checks. The budget amendments were voted down by politicians that just don't understand the plight of hard working New

Yorkers.

The expanded bottle deposit law that will take effect June 1st will impose a new nickel deposit on bottled water. Retailers also face increased costs related to the handling, redeeming and storage of returned bottles, costs that will ultimately be passed along to consumers. It is estimated that these new fees will increase the average cost of a 24 pack of bottled water from \$4.99 to \$8.59.

A coalition of bottlers has filed a lawsuit to stop implementation of the expanded bottle bill, saying that a requirement that bottles covered by the law have a UPC code specific to New York state would prohibit those bottles from being sold outside the state.

In addition, the industry has said the measure, passed last month, doesn't give them sufficient time for implementation and could force them to pull water off store shelves.

If an amendment isn't passed to change this law it will mean more than higher costs for consumers. The sad fact is that many bottlers will be pulling up stakes and leaving the state, taking their jobs with them. The ripple effect will be devastating for many communities.

As of June 1st, consumers will also have to pay state sales taxes on all purchases over the internet from retailers that also have stores in New York State. Expanding the sales tax to online affiliates of New York stores will cost consumers \$9 million more this year and \$12 million more next year.

Other tax hikes taking effect June 1st include:

*Doubling the state fee on auto insurance from \$5 to \$10, increasing car insurance costs by more than \$48 million;

*Increasing the auto rental tax from five percent to six percent, a total tax hike of \$8 million in 2009-10 and \$10 million a year after that;

*Extending the state sales tax to black cars and limousine services, a tax hike of more than \$26 million;

*Creating a use tax on businesses that use vehicles, including cars, planes or boats, which are owned by out-of-state affiliates, to transport their employees, partners and stock holders into the state. This new tax will cost businesses \$4 million in 2009-10 and \$6 million each year after that.

The tax hikes are costing New Yorkers more and more every month and when they are all in place, they will increase the annual taxes paid by an average family of four by \$2,400 a year. We have to control spending and reduce taxes if we are going to help struggling families make ends meet and help businesses retain and create jobs