



NEW YORK STATE SENATOR

Patty Ritchie

RITCHIE JOINS IN UNVEILING NEW MIDDLE CLASS TAX CUT PLAN

PATTY RITCHIE March 9, 2016



Senator Patty Ritchie today joined in unveiling a broad new middle class tax cut plan that would save hardworking taxpayers millions of dollars, help small businesses struggling to create jobs and let fixed-income seniors keep more of their pensions and retirement savings.

The far-reaching Senate plan slashes state income tax rates to near record lows, and includes key provisions of Senator Ritchie's tax cut plan for farmers, part of her "Planting Seeds" farm initiative unveiled last month, as well as her idea to cut taxes for 375,000 retirees across the

state.

“For far too long, too many hardworking New Yorkers have had to struggle to make ends meet as a result of taxes that simply put, are far too high,” said Senator Ritchie.

“While we have made progress in putting a stop to endless tax increases, it’s still not enough. This plan is a step in the right direction when it comes to providing the real relief our overtaxed families, seniors and business owners need.”

Key provisions of the Senate middle class tax cut plan include:

25-by-25 – a gradual reduction in income tax rates for middle income families by 2025, providing an annual tax savings of nearly \$900. When fully implemented, the plan would deliver among the lowest income tax rates in seven decades;

Protecting pensions – the plan doubles the retirement income that can be excluded from state income taxes. The plan is modeled on a bill sponsored by Senator Ritchie (S.3310-A) and would save a senior taxpayer as much as \$400 in its first year. Right now, seniors can claim an exemption only for the first \$20,000 of retirement income, an amount that hasn’t changed since 1981. The Senate plan would double the exemption amount, to \$40,000;

Cutting energy taxes – the plan also eliminates a tax surcharge that currently adds \$125 million a year to residential and business utility bills, contributing to New York’s highest-in-the-nation energy rates, and hurting New York’s ability to create and attract new jobs. The so-called Article 18-A tax was enacted in 2010, and the Senate plan would eliminate it this year; and

Tax cuts for small business and farmers – the Senate plan expands an existing income tax break to benefit an additional 9,000 small-to-mid-sized farms and over 1 million small businesses,

and increase the Estate Tax exemption to help protect family businesses.

The middle class tax cut plan unveiled by the Senate is expected to be a priority in negotiations with the Governor and Assembly over a new state budget.

More information about the plan can be [found here](#).