



NEW YORK STATE SENATOR

John J. Flanagan

Senate Majority Unveils 2018 Affordability Agenda

JOHN J. FLANAGAN January 9, 2018

| ISSUE: **BLUEPRINT FOR A STRONGER NEW YORK, AFFORDABILITY, PROPERTY TAX RELIEF**



The New York State Senate Majority today unveiled a broad-based affordability agenda designed to help individuals, families, and seniors continue to live, work, and succeed in New York. Initiatives advanced this year by the Senate will reduce the excessively high taxes and other factors that make it difficult to live, raise a family, own a home, or retire in New York.

Please [click here](#) to view video of today's press conference

Senate Majority Leader John J. Flanagan said, “Whether you are a New Yorker looking to begin a career, a young family working hard to make ends meet, or an older New Yorker looking to stay in your community, our state’s high cost of living is forcing thousands of New Yorkers to flee to other parts of the country. The Senate Majority is taking action to stop this outmigration and make our state more affordable by delivering \$4.2 billion in middle class income tax cuts this year, proposing hundreds of millions of dollars in new tax relief, and ensuring long-term fiscal responsibility in government.”

Chair of the Senate Finance Committee Catharine M. Young said, “As we head into what will be a challenging state budget process, the Senate Majority is firm in its conviction that the budget will not be balanced on the backs of already-overburdened state taxpayers. Just the opposite: we will be fighting for those New Yorkers that we hear from every day who are struggling with taxes and the high cost of living in our state. From the seniors being forced to choose between paying their property taxes or medical bills, to the harried, hardworking parents who must juggle two or three jobs to stay afloat, to every cash-strapped person in between, they are our priority. In 2018, the Senate Majority will continue to be their voice as we look to give them additional relief from the onerous property, income, and energy taxes that are crushing their household budgets. The future they want and deserve for themselves and their children depends on us.”

The Senate is advancing a three-pronged “Blueprint for a Stronger New York” that focuses on making the state less costly and more attractive for hardworking New Yorkers. When combined together, the Senate’s Affordability, Opportunity, and Security agendas comprise a powerful and comprehensive plan to give all New Yorkers the opportunity to succeed.

Today’s announcement details the first part: an Affordability Agenda that focuses on broad-based tax relief for families and seniors. The Affordability blueprint includes:

- Lower Income Taxes
- Lower Property Taxes
- Lower Energy Taxes
- Lower Taxes on Retirement
- Reforms to Control Spending and Prevent Tax Increases

Lower Income Taxes:

The start of the new year means millions of taxpayers will begin to see **significant savings delivered** as part of the Senate Majority's **Middle Class Income Tax Cut**. Tax relief will ultimately reach \$4.2 billion a year and reduce middle class tax rates by 20 percent for employees and tens of thousands of small businesses.

The Senate Majority Conference will also advance measures to **help all New Yorkers negatively impacted by Federal income tax changes** that were recently approved in Washington D.C.

Senator Simcha Felder said, "Hardworking New Yorkers are overtaxed, over-ticketed, and over-fined. Our bill will cut taxes and hold New Yorkers harmless from the elimination of state and local tax deductions."

Lower Property Taxes For Every Homeowner:

New York is one of the highest taxed states in the nation and high property taxes are a key factor in the inability of families and seniors to make ends meet. With the enactment of the Senate Majority's two-percent property tax cap in 2011, progress has been made in curtailing soaring tax growth, but ongoing adherence to the cap is not guaranteed.

Today, the Senate will be acting on legislation that **makes the state's highly successful property tax cap permanent**. Since it was enacted, taxpayers have already saved \$23 billion and to

cement those gains for current and future taxpayers, it must be made permanent this year.

In 2018, 2.5 million residents will receive nearly \$1 billion in property tax rebate checks – over and above the tax relief already provided by the STAR program. The Senate Majority secured the checks in 2015 and will make it a priority to **prevent any diminishing or eliminating of those rebate checks** in this year's state budget.

In addition, the Affordability Agenda proposes a **25-percent increase in the size of the current property tax rebate checks**. These checks currently provide direct, much-needed relief through checks in the mail to homeowners and increasing their amount will help further ease the local tax burden.

Many seniors on fixed incomes face a particularly difficult challenge affording New York's high taxes. To help alleviate this financial pressure and prevent older New Yorkers from being forced to move to lower-taxing states, the Senate Majority will propose a **new freeze on school property taxes at current levels for seniors**. In addition, the Senate will go one step further and propose **completely eliminating school property taxes for seniors over the next ten years**.

Senator Fred Akshar said, "As the state faces difficult economic forecasts, it's easy for some to point fingers at the federal government and pass out blame to everyone under the sun, but we can't sue our way into a better business climate. We can't litigate more affordable tax rates. We need to be proactive. We need to do our part in making New York more affordable and create a better business climate. New Yorkers are leaving this state by the tens of thousands, and it's not because of the federal government, it's because they can't afford New York's taxes. They can't afford New York's abysmal business climate. Other states have the promise of opportunity, a promise that some in New York have continuously broken through an addiction to taxes and spending. I thank my colleagues and I thank Leader

Flanagan because this conference is the only conference committed to controlling state spending and controlling taxes. We need to send a message of hope to New York residents and businesses that haven't left yet, but are still gutting it out every day in this over-taxed and over-regulated state. We need to set the two percent spending cap in state law, so we can responsibly manage the budget deficit and every budget going forward. We need to make the property tax cap permanent. We need to look within and truly assess what our wants and needs are. Only then can we right the ship and put our state and our communities on a path to affordability and prosperity."

Lower Energy Taxes - \$280 Million in New Tax Relief:

New York has some of the highest energy costs in the nation, and state taxes on energy impose a major expense on millions of families and seniors. To provide relief to overburdened taxpayers, the Senate Majority plan would **eliminate the two-percent Gross Receipts Tax on utility bills**, resulting in \$190 million in savings.

The energy tax savings would also expand upon the energy savings achieved when the Senate Majority phased out the onerous 18-A energy tax surcharge enacted by New York City Democrats several years ago. Now that the surcharge has been eliminated, the Senate Majority's Affordability plan would go even further by **eliminating the base, underlying 18-A assessment tax** and have the \$90 million in savings come from the state's general fund.

Lower Taxes on Retirement - \$275 Million in New Tax Relief:

Each year, thousands of older New Yorkers leave their communities and move to other states because of the taxation of a large portion of retiree pension income. The Senate Majority proposes to help reverse this trend by **doubling the current exemption on pension income** and save seniors \$275 million. This initiative, combined with the property tax reductions proposed above, would make New York more affordable for more seniors.

Reforms to Control Spending and Prevent Tax Increases:

Later today, the Senate will also be acting on legislation that enacts a **permanent two-percent spending cap** into state law. For the last seven years, the Senate Majority has held spending within a two-percent cap, saving a cumulative \$41 billion. To protect New Yorkers from future tax increases, the state must enact a permanent spending cap to ensure families and businesses can afford to be located in New York for years to come.

Similar to last year's successful rejection of hundreds of millions of dollars in new taxes and fees proposed by the Governor, the Senate Majority will advance a 2018-19 budget proposal that includes no new taxes or fees.

To further hold the state accountable and prevent unnecessary taxation, the Senate Majority will put forward a measure that requires a **supermajority vote on state legislation that increase taxes** and address the mandates that drive up local taxes. The Senate will also propose a **constitutional amendment to ban unfunded mandates** and further pursue property tax relief through the **significant reductions of existing mandates**.

The Senate Majority Record

The Senate Majority has been responsible for the enactment of 85 tax cuts over the past seven years, saving taxpayers \$12 billion to date. This includes the lowest middle-class tax rates since 1948, the lowest manufacturing rates since 1917, the lowest corporate rates since 1968, a property tax cap for homeowners, and many more.

The Blueprint for a Stronger New York will build on that successful record and provide a sensible approach to lowering taxes and creating better opportunities for all New Yorkers during the 2018 session and upcoming budget negotiations.