



NEW YORK STATE SENATOR

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## New State Budget Is New Yorkers' Worst Nightmare

JOHN J. FLANAGAN April 1, 2019

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Crafted entirely by Democrats in total control of New York's new one-party government, the **2019-20 state budget includes billions of dollars in new taxes and spending** that will make it even more difficult for hardworking, middle-class taxpayers to provide for their families and make ends meet.

The **budget** includes a multitude of unfunded mandates that will drastically hamper the viability of local governments, and will also enact catastrophic changes to New York's criminal justice system which will enhance the rights of dangerous criminals over law-

abiding citizens.

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*“After months of warning about the disastrous effects of one-party government, New York’s worst nightmare has been realized with the 2019-20 state budget. Not only have Senate Democrats betrayed the hardworking taxpayers they are supposed to represent – they have focused virtually all of their energy on delivering for criminals and illegal immigrants, and appeasing the radical, socialist fringe that now controls their party. By voting for this disastrous spending plan, Democrats have totally turned their backs on local governments and middle-class families struggling through New York’s growing affordability crisis. Our great state deserves a much better budget,” said Senate Republican Leader John J. Flanagan.*

New taxes and fees to be enacted by Senate Democrats in the state budget include:

- A new tax on internet purchases, with an overwhelming majority of the revenue raised to be funneled to fund New York City priorities;
- A new tax on prescription drugs and medications, which would harm seniors and our most vulnerable populations;
- A new commuter tax that will hurt motorists in the Hudson Valley and on Long Island;
- A new tax on driving that will devastate Upstate New York’s tourism industry;
- A new tax on real estate transactions;
- A new grocery bag tax, which will require anyone who needs food or other basic necessities to dig a little deeper into their pockets; and
- A planned taxpayer-funded political campaign system, AKA “welfare for politicians,” through actions to be implemented by a commission which will ultimately require taxpayer dollars to fund negative campaign mailers and robocalls.

Senate Democrats once promised they wouldn't raise taxes, but instead picked up right where they left off in 2009-10, when they raised taxes and fees 124 times, totaling \$14 billion in just two years. The fiscally irresponsible trend continues today with the imminent passage of the state budget, as Senate Democrats are approving billions in new taxes that are still being tabulated. On top of accelerating the affordability crisis plaguing millions of New Yorkers who have been forced to leave for more affordable areas of the country, the spending plan does nothing to address the Senate Democrats' outright rejection of the Amazon HQ2 plan, which cost New York 25,000 new jobs and \$27 billion in new revenue.

The budget includes no increase in CHIPs funding and cuts to extreme winter recovery funds by \$65 million, while fronting the MTA \$100 million to pave the way for implementation of the new commuter tax. It also cuts AIM funding by \$59 million, and for the first time ever, the budget awards Governor Cuomo with \$5 million in bullet aid.

Since the beginning of the 2019 session, Senate Republicans have offered various amendments and proposals to these job-killing tax-and-spend policies, including:

- Balancing the budget without raising or creating new taxes and fees;
- Enshrining the state spending cap into law, which would ensure that Democrats can never again blow past fiscally responsible levels concerning how they spend the taxpayer dollar;
- Accelerating and protecting the historic Middle Class Income Tax Cut previously enacted by Senate Republicans, which has already saved New Yorkers \$770 million, and is one of the largest and most important tax cuts in state history;
- Implementing significant business and energy tax cuts and regulatory reforms, so that there are fewer obstacles to creating new jobs in New York;

- Reforming the voting procedure for the Public Authorities Control Board to require a majority vote on economic development projects, so that any one Senator can never again single-handedly cost New York thousands of jobs and billions in new revenue due to political considerations.

Despite many assurances by the Governor and Democrats in the Legislature, the state budget fails to reject various unfunded mandates, and most notably excludes adequate funding needed to implement the state's early voting mandate. The New York State Board of Elections estimates that early voting will cost \$175 million, a number far greater than the \$25 million local governments will receive from the state. This reckless action will put additional pressure on towns, villages, and counties to raise taxes or cut essential services.

"We're one of the few states experiencing a decrease in population and, in a recent survey, nearly half of our young people said they are on their way out. Our next generation of entrepreneurs, local leaders, and families are set to flee the state and this budget will not change their minds. The budget increases taxes, does nothing to help struggling small businesses, ignores our upstate roads, and slaps more unfunded mandates on local governments. Improving affordability and boosting economic development were my priorities at the start of the budget process and this plan falls flat on both concerns," said Senate Finance Committee Ranking Republican Senator James L. Seward.

Passed annually, the New York State Budget is supposed to be as much a reflection of policy values as it is about being fiscally responsible with taxpayer money. Because of the new one-party government in New York, other Democrat-driven priorities that made it into the final budget include:

- Fully funding an initiative to provide free college tuition for illegal immigrants, while rejecting an increase in Tuition Assistance Program funding that would help middle-class

families afford college;

- Allowing cashless bail, which will let violent, hardened criminals out onto the streets with no consequence or regard for public safety;
- Disproportionately underfunding school aid, with a far greater amount dedicated to New York City schools, effectively shorting aid for every other part of the state; and
- Keeping the Hollywood Film Tax Credit, despite Senate Democrats' previous opposition to corporate incentives, such as for Amazon HQ2.

After being negotiated with little to no transparency for months by leaders of the new one-party government without garnering input from members of the minorities in both houses, passage of the 2019-20 state budget will garner an overwhelming majority of its yes votes from Democrats and New York City-located officials. The budget will create and raises taxes and spending by billions despite previous claims from the Governor's Budget Director and Comptroller that the state was facing a multi-billion dollar deficit.