



NEW YORK STATE SENATOR

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Senate and Assembly Republicans Hold Listening Session With Stakeholders on Proposed Gas Tax

ROBERT G. ORTT August 20, 2021

| ISSUE: **CLIMATE & COMMUNITY PROTECTION ACT**



NIAGARA Co., NY -- Members of the Senate and Assembly Republican Conferences today held a listening session with stakeholders across various industries to discuss the potential impacts of the Climate and Community Investment Act (CCIA), a proposal being advanced by Albany Democrats that could increase the cost of gas by as much as fifty-five cents per gallon and increase home heating costs by more than twenty-five percent. Another listening session was held earlier this month in Albany.

The legislation <<https://www.nysenate.gov/legislation/bills/2021/s4264/amendment/original>>

would impose a carbon tax of \$55 per ton of fossil fuel emissions in order to reach renewable energy mandates under the CCIA, passed by the Legislature in 2019.

The session was led by Senator Dan Stec and Assemblyman Robert Smullen, ranking members of the Senate and Assembly Environmental Conservation Committees, and Assemblyman Phil Palmesano, ranking member of the Assembly Energy Committee. Discussions revolved around the potential impacts on small businesses, farms, and various sectors of the energy industry. The session provided an opportunity for lawmakers to listen to testimony directly from stakeholders from across those industries.

“No matter how well-intended, legislation has to be weighed for its potential drawbacks. In this case, many of us have serious concerns for people we represent in rural regions who rely on their cars. Public transportation isn’t an option. When someone can’t afford to fill their gas tank, that means kids will miss out on after-school activities, home health aides won’t be able to get to the people who need their care and the cost of essential goods and services will go up. Many people, especially seniors on fixed incomes, have trouble keeping their homes warm during winter. A much bigger fuel bill would only add to their misery when the mercury dips well below zero for weeks at a time. A tax of this magnitude would be incredibly regressive, hurting lower-income New Yorkers the most,” said Senator Stec.

“New Yorkers are still reeling from the devastating impacts of the COVID-19 pandemic and our economy continues to struggle. This out-of-touch bill would be another hit to hardworking New Yorkers and small businesses who will be faced with skyrocketing costs at the pump and increased heating costs. We need to work together on real solutions other than the typical Albany tax-and-spend policies that continue to inflict harm on our already struggling taxpayers and small businesses,” said Senate Republican Leader Rob Ort.

“The CCIA clearly demonstrates two things. One, that the Senate and Assembly Majorities are clearly trying to get out in front of the job the Climate Action Council (CAC) is tasked with doing relative to their scoping plans for implementing the CLCPA and two, that they are completely out of touch with the financial needs and concerns facing families and businesses of our state. Our CCIA roundtables will continue our efforts to highlight these issues so we can make clear to the public of the wide-ranging financial impacts that implementing the CLCPA will have on every sector of our state's economy and the critical need for the state to conduct a full, transparent and honest cost benefit analysis of the CLCPA. Given NY contributes just 0.5 percent of the total carbon emissions globally and 3.3 percent in the U.S. the public clearly deserves to know what the financial impact of implementing these policies will have upon them. While I agree clean and

renewable energy needs to be a part of our energy portfolio and strategy, it is equally important, however, that our energy portfolio and strategy address affordability and reliability for families and businesses and the CCIA, and likewise the CLCPA, clearly fails to address these vital areas,” said Assemblyman Palmesano.

“As Ranking Member for the Committee on Environmental Conservation, I’m always eager to see what ways we as a state can continue to improve and protect our state’s natural beauty. The CCIA, unfortunately, is not the realistic solution. Its proposals reflect a reality we don’t live in, and seek to do serious damage across our state’s economy, an economy already having trouble competing across the nation, and indeed the world. This proposal needs to hit the drawing board again, with a more reasonable scale and timeframe in mind, before we can consider supporting such an initiative,” said Assemblyman Smullen.

According to the Tax Foundation, New York currently has the 7th highest gas tax in the country, at 43.12 cents per gallon with California currently the highest at 62.47 cents per gallon. This legislation would raise New York’s tax to 98.12 cents per gallon, an increase of more than 127 percent, and would make New York’s gas tax more than 57 percent higher than any other state. New York State has repeatedly been named one of the worst business tax climates in the nation by the Tax Foundation.

“The CCIA will place a tremendous, costly burden on New Yorkers, causing gas prices to rise by as much as 55-cents per gallon and home heating costs to skyrocket by more than 25 percent. This is a bill that will disproportionately affect those I represent, most of whom do not have access to mass transit and already have high home heating costs due to extreme winter cold. After these listening sessions, it is abundantly clear that New Yorkers cannot afford this and a more reasonable, less costly approach needs to be taken to address the state’s climate goals,” said Senator Patty Ritchie, ranking member of the Senate Energy Committee.

“The proposal by Democrats to raise gas taxes by an estimated 55 cents a gallon has a terribly disproportionate impact on rural upstate New York, where residents must rely on personal vehicles to commute to work, get groceries or take their children to daycare or other activities. At the same time they are proposing a huge tax increase on those who drive their own vehicles, the Democrats are more than happy to subsidize the New York City subway system by over \$3 billion annually to avoid even a modest increase in subway fares needed to cover the actual costs of the system. It is grossly unfair that rural residents, who pay for all the costs of owning, maintaining, insuring and operating their own cars, should face such a huge tax increase while their urban neighbors receive a huge transportation subsidy. In addition, by increasing upstate

heating costs by an estimated 25%, the Democrat proposal would constitute a huge financial burden on our senior citizens, retirees, families and the working poor. We need to make New York state more affordable for our residents, not provide a tremendous financial incentive to relocate to Florida or other states during the winter. Our objective should be to minimize overall greenhouse gas emissions by implementing a thoughtful, balanced approach, not by maximizing the loss of businesses, industries and residents to other states which have much lower taxes and much better business environments,” said Assemblyman Andrew Goodell.

“The CCIA is another example of how the Legislature’s current leadership consistently puts its politically-driven agenda ahead of the interests of hardworking, middle class New Yorkers. In my district, and upstate New York as a whole, public transit options are extremely limited, meaning that residents would be forced to cut deeper into their budgets to afford the crippling increases in the price of gas and home heating fuel this proposal would create. Just as devastating would be the impact on our small businesses, farms and manufacturers who would see their operating costs skyrocket, hurting their ability to grow and create jobs. Inflicting such damage on New York’s economy, for a proposal that won’t even move the needle when it comes to carbon emissions, would be extremely reckless and drive even more New Yorkers to other states. I hope the valuable information shared today encourages the advocates and legislators pushing this effort to rethink their position and consider other alternatives,” said Senator George Borrello.

“As members of our communities, we all want to do everything we can to keep and protect New York’s pristine beauty and landmarks and protect our environment for future generations. However, we must respect taxpayers and carefully consider the impacts of action through accurate and unbiased analysis of renewable energy projects, associated impacts and costs, with input from community stakeholders. As the cost of living continues to rise in our communities and across the state, we can’t expect New Yorkers to pay exorbitant new taxes and fees, while potentially paying higher energy costs without any environmental benefit, further pushing residents out of state,” said Assemblyman Josh Jensen.

“Drastic tax increases on motorists and residents who use home heating oil is not the way to address climate change. This legislation would only make New York more unaffordable and have a disproportionate impact on rural and upstate residents and businesses. If the legislature is serious about climate change, I would encourage them to listen to stakeholders, like we did here today, and come up with workable solutions that don’t rely on large tax increases,” said Senator Ed Rath.

“As a proud representative of Western New York, I care deeply about the state of our environment, but the

CCIA does not seem to be a realistic option for our communities. Gas prices are already high enough. To increase them by 55 cents per gallon, along with home heating bills just isn't fair to the people we represent, especially after the past two brutal years of the pandemic. Our economy is already fragile enough and we cannot afford to take on such costs at this time. We need to regroup and come up with a more cost effective viable option and implement it over time, not just hit the good people of New York so hard all at once," said Assemblyman Brian Manktelow.

"Of all the great causes to fight for in Albany, making sure we set the path for our next generation to live in a cleaner, more sustainable, more balanced world than we were born into nears the top of the list. However we must strive for this goal reasonably, with the various stakeholders and possible repercussions in mind. There are serious concerns regarding a tax this substantial, and the effects it will have on gas prices, heating bills and affordability across the state. New York's tax climate is already prohibitive, and continues to worsen. I recognize the importance of implementing a greener approach to energy, but the CCIA will increase gas prices by as much as 55 cents per gallon and home-heating costs by more than 25 percent. This is simply unsustainable," said Assemblyman Angelo Morinello.

"Here in Western New York there is no real other option than to drive in order to get to work or school or for essential errands like picking up groceries or going to the doctor. Our entire regional economy depends on New Yorkers' ability to afford gasoline prices – and not just individual motorists but also the commercial trucking industry that supplies our region with the goods we all need. With everyone working so hard to rebuild after the economic shutdown, raising gasoline prices now is a misstep and will make it that much harder for businesses, families, and those who are already struggling to survive," said Assemblyman Norris.

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