

Legislative Priorities: Cutting Taxes & State Spending

JOHN A. DEFRANCISCO February 3, 2011

| ISSUE: FINANCE, BUDGET | COMMITTEE: FINANCE

With 2011 underway, the two main legislative priorities of my Republican colleagues and I this year will be to cut government spending and reduce taxes. These are crucial steps that need to be taken to help revive our state economy. One of the first orders of business for the Senate was to pass a spending cap for the state, which we did on January 31, 2011. Hopefully, the Assembly will follow suit. We need to enact policies like these that will help to turn around the current fiscal situation and help New York State create a better economic environment for the future.

We, as a state, are in a difficult financial situation right now. New York State is losing jobs, and is already one of the heaviest taxed states in the country. In order to create jobs and grow our economy, we need to cut taxes and reduce government spending. These spending cuts need to be surgical. Fortunately, Governor Cuomo agrees. The Governor is going to have a partner in the Senate on the budget this year. We have a similar agenda when it comes to the economy of our state, and we are more than willing to work together to help resolve our state's fiscal problems. Additionally, my Republican colleagues and I are optimistic about the Assembly working with us on these issues. Normally it would be challenging to get spending reductions through the Assembly, but Speaker Sheldon Silver has actually talked about supporting a property tax cap. Hopefully he follows the public's desire to get spending under control.

The three costliest parts of the state budget are healthcare, education and personnel. New York provides more optional Medicaid coverages than any other state, which drives up the cost of healthcare to an unsustainable rate. We just simply cannot afford to offer some of these optional services any longer. As to personnel, the Governor said that he would like to see a wage freeze, and just like a business, sometimes there needs to be cuts to right-size government. We also need pension reform because the current system is unsustainable. Similarly, we need to provide

sufficient state aid to educate our children but school districts have to deliver a quality education more efficiently during these difficult economic times.

The Senate has also already passed the Job Creation and Taxpayer Protection Acts, which is vital legislation to help improve the business climate in New York State. New York's high taxes drive businesses and jobs out of our state. Fewer businesses and fewer residents means a smaller tax base. The Taxpayer Protection Act will require a two-thirds vote to increase taxes, thus making it more difficult to raise taxes, thereby, relieving our residents from ever increasing taxes, and creating a friendlier business climate.

This legislation, if passed by the Assembly and signed by the Governor, also will establish a tax credit program for businesses that create new jobs. This will help get people back to work and off the unemployment rolls, saving our state money in unemployment benefits.

My goal as the new Chairman of the Senate Finance Committee is to help reduce taxes and spending and pass sensible legislation that will help to create jobs in order to get our State back on track. I will do everything I can achieve these goals.