SELECT COMMITTEE ON BUDGET AND TAX REFORM

CHAIR: Senator Liz Krueger

2009 Annual Report

SELECT COMMITTEE ON BUDGET AND TAX REFORM
2009 Annual Report

CHAIR: Senator Liz Krueger
Senator Neil Breslin
Senator Kenneth LaValle
Senator Kevin Parker
Senator Bill Perkins
Senator Michael Ranzenhofer

Select Committee Staff

EXECUTIVE DIRECTOR: Michael Lefebvre
PRINCIPAL ANALYST: Richard Mereday
ADMINISTRATOR: James Schlett

MARCH 2010
Prepared by James Schlett
www.nysenate.gov/committee/budget-and-tax-reform

Contents

I. Introduction

Complex. Antiquated. Onerous. These are just a few words that describe New York State's tax law. In many cases, it is a law that contains language that has changed little or not at all over the years, even though the industries to which it applies have changed drastically. With or without any changes, it hasn't gotten any easier to understand.

Each year, the quandaries of the tax law contribute to problems in New York's budget process. But that process has its own set of problems. They are, namely, its short-sightedness and lack of transparency.

Over the past three decades, the Legislature has made numerous attempts to rectify these faults inherent to New York's budget and tax laws. But for all their best intentions, these corrective measures were implemented in an uncoordinated or "piecemeal" fashion. And as they resolved one type of tax inequity, they often created another.

By the beginning of 2009, it became evident that New York tax policy needed a thorough review. The ad hoc changes to the state's revenue system have created a tax structure that is not linked to current policy goals. The tax system is riddled with loopholes and tax expenditures that need to be re-evaluated to determine whether they serve a public purpose.

With the pressing need for such a review in mind, the New York State Senate on Feb. 5, 2009 adopted Senate Resolution No. 315, which established the bi-partisan Select Committee on Budget and Tax Reform. Under the resolution, the Select Committee is to consist of six members who are appointed by the Temporary President of the Senate. Two of those appointments come at the recommendation of the Minority leader of the Senate. The Temporary President of the Senate also appoints the chair of the Select Committee, which has the same authority as standing committees established under Article 4 of the Legislative Law and Senate Rule VII.

Senate Temporary President Malcolm Smith appointed **Senator Liz Krueger** chairwoman of the Select Committee. Senator Krueger, who represents District 26 in Manhattan, was also appointed vice-chair of the Senate Finance Committee. Other members of the Select Committee include:

- **Senator Neil Breslin**, who represents District 46 in Albany. He is chairman of the Senate Insurance Committee;
- **Senator Kenneth LaValle**, who represents District 1 in Selden. He is chairman of the Senate Minority Conference;
- **Senator Kevin Parker**, who represents District 21 in Brooklyn;
- **Senator Bill Perkins**, who represents District 30 in Harlem. He is chairman of the Senate Corporations, Authorities and Commissions Committee;
- **Senator Michael Ranzenhofer**, who represents District 61 in Williamsville. He is a ranking minority member of the Aging Committee.

To address inequities in the tax system and inefficiencies in the budget process, Chairwoman Krueger tasked the Select Committee with evaluating proposals to create more rational and responsive policies that will better enable the state to meet its fiscal needs in the 21st century. At the same time, she directed it to explore ways to assure all New Yorkers that the taxes they pay are equitable in relation to their neighbors.

The Select Committee's approach to these charges in 2009 included collecting public feedback on various budget and tax reform proposals at public hearings and roundtable meetings statewide. The Select Committee's staff indexed and evaluated past and present proposals raised by the Executive and Legislative branches. After each meeting or series of meetings, the Select Committee's staff issued an in-depth report detailing its findings and conclusions based on testimony collected at the public hearings and roundtables. The reports are then used to guide reform legislation.

To carry out these tasks, the Select Committee employed:

- Michael Lefebvre, executive director;
- Richard Mereday, principal analyst;
- James Schlett, administrator.

This annual report highlights the Select Committee's activities throughout 2009.

II. Select Committee 2009 Highlights

- The Select Committee held six public hearings statewide, including two in roundtable format. Meetings were held in Albany (three), New York (two) and Rochester (one).
- At the public hearings and roundtables, the Select Committee explored reforms regarding personal income taxes, business and banking taxes, telecommunications taxes, property tax exemptions and budget processes.
- The Select Committee received oral and written testimony from a total of 71 experts from around the country (60 oral and/or written; 11 written only).
- The Select Committee staff issued four reports. The reports detail the staff's findings and conclusions based on testimony collected at the public hearings and roundtables.
- In connection to the Select Committee's personal income tax public hearing, Chairwoman Krueger introduced legislation (S.4239) proposing to establish a middle-class circuit breaker tax credit that would be phased in over four years. The bill would provide tax relief to households with an adjusted gross income of less than $250,000 annually, broadening the reach of the state's existing circuit breaker program.
- In connection to the Select Committee's business and banking tax public hearings, Chairwoman Krueger sponsored legislation (S.50047/A.8867) that proposed to align New York City's business and banking tax structures with those of the state. Both the Senate and Assembly in June passed this legislation, which the governor signed into law on July 10.
- The Select Committee launched a Web site (nysenate.gov/committee/budget-and-tax-reform), on which it posts information about upcoming events, videos of public hearings, written testimony and transcripts gathered at those meetings and staff reports.

III. Public Hearing and Roundtable Summaries

Personal Income Tax Reform

Exploring progressive changes to New York State's personal income tax system.

Public hearing: Albany, March 12, 2009.
The issue: The recession and its strangle hold on New York State's traditional revenue sources exposed vulnerabilities and inequities in the state's tax policy. New York's overdependence on tax revenues from Wall Street, coupled with the mounting financial pressures on middle-income households, created in 2009 an imperative for lawmakers to reassess how and where the state pulls its revenues. The Select Committee examined proposals for establishing a more progressive personal income tax (PIT) system. Among the proposals the committee examined were Senator Eric Schneiderman's proposal (S.2021) that would create new income tax brackets for New Yorkers earning over $250,000 annually; thus eliminating the flat marginal tax rate of 6.85 percent for households earning $40,000 and up. The committee also examined Senator Jeff Klein's proposed legislation (S.2654), which also establishes new higher income brackets while providing relief to lower income taxpayer's in the form of debit cards.

Findings:

- To guard against any volatility to which a PIT adjustment could expose New York's budget, lawmakers could build large reserves or "rainy day" funds with excess revenues.
- New revenues from a PIT adjustment could also go toward a new middle-income property tax circuit breaker program, which could replace the Middle Class STAR Rebate Check Program.
- At little cost, owing to current deflationary pressures, New York could index its tax brackets to inflation, much like the federal income tax system.
- A PIT adjustment finds its greatest support when it is limited to addressing the sudden loss of revenue from a cyclical economic downturn, much like the 2003-05 PIT surcharges.
- S.2021 would place the share of income taxes paid by the top 1 percent above 40 percent or 45 percent, potentially further exposing New York's budget to the volatility of the financial services sector and financial markets. But volatility is less of a short-term concern because the income of the top 1 percent has already fallen from its unsustainable levels reached during the economy's boom years.
- The new tax brackets proposed in S.2021 and S.2654 would put New York's top rate in league with California's new top rate of 10.55 percent. Although opponents of both bills warned the legislation would scare away businesses and result in the flight of wealthy residents, research done on similar PIT adjustments in California and New Jersey suggests otherwise.

Conclusion: The Select Committee staff recommended exploring what steps are necessary to achieve the following:

- Creating a more robust rainy day fund to shield the state from PIT volatility.
- Establishing PIT brackets system that is indexed to inflation.
- Creating of a progressive PIT circuit breaker credit that is based on both households' income and need.

Outcome: During the 2009-2010 budget negotiations, Chairwoman Krueger developed and presented an alternative PIT model that was more progressive than the system included in the enacted budget. She also introduced legislation (S.4239) proposing to establish a middle-class circuit breaker tax credit that would be phased in over four years. The bill would provide tax relief to households with an adjusted gross income of less than $250,000 annually, broadening the reach of the state's existing circuit breaker program.

Business Tax Reform

Evaluating the equitability of New York State's business and banking tax structures and their effectiveness to foster economic growth statewide.

Public hearings: Rochester, April 30; Manhattan, May 21, 2009.
The issue: For years, New York State has taken a shoot-from-the-hip approach toward economic development in regard to its use of tax benefits. Their aim has been questionable; their results have been hit or miss. By 2009, New York faced the dilemma of declining tax revenues and a heightened need to spur job growth, making it all-the-more important for the state to more strategically employ its tax benefits. Given this predicament, the Select Committee reviewed the New York's Corporate Franchise Tax and Bank Tax (Articles 9-A and 9 of the Tax Law, respectively), with an emphasis on the effectiveness of various tax benefits and whether they create inequities in the state's business environment. It also explored ways to ensure these two parts of the Tax Law better reflect the present-day makeup of the industries to which they apply. While the Rochester public hearing focused on taxes levied on manufacturers and small business, the Manhattan public hearing examined more closely tax exemptions for the financial services sector.

Findings:

- Unequal treatment under the Corporate Franchise Tax begins at businesses' inception, when entrepreneurs decide on the structure of their entity (e.g. S corporation vs. C corporation). The inequities persist as companies determine the percentage of their taxable in-state activities through the recently-adopted single sales apportionment factor.
- The cumulative impact of all of New York's taxes makes various tax incentives offered under the Corporate Franchise Tax essential to ensuring in-state businesses' competitiveness. But since New York became the first state to introduce an investment tax credit 40 years

ago, its effectiveness has been diminished through restrictions put on credits' usage and the complexity associated with receiving them. This trend has continued in other Corporate Franchise Tax expenditures, most notably in the Empire Zones program.

- Over the past several years, the rift between the business and banking tax laws for New York State and New York City has widened, creating mounting administrative burdens for, and inequities among, city companies. The discrepancies between the two tax systems worsened in 2007, when the state closed four major big business tax loopholes and the city did not conform to those changes.

Conclusion: The Select Committee staff recommended exploring what steps are necessary to achieve the following:

- Incorporating other states' business tax incentives that have successfully spurred job creation into whatever replaces the Empire Zones Program after it expires in 2010.
- Establishing a simplified and fully accountable application process through which small business can more easily apply for tax incentives.

Outcome: Chairwoman Krueger sponsored legislation (S.50047/A.8867) that proposed to align New York City's business and banking tax structures with those of the state. Both the Senate and Assembly in June passed this legislation, which the governor signed into law on July 10.

The Select Committee issued a staff report on business taxes in August.

Telecommunications Tax Reform

Modernizing New York State's telecommunication taxes.

Roundtable: Albany, August 12, 2009.
The Issue: Technological advances in the telecommunications industry continue to outpace New York State's attempts to tax service providers in an equitable way. New telecommunication technologies continue to emerge and broaden their base at a rapid pace, and traditional technologies are just as quickly reaching into new markets. The state's telecom taxes, like the industry to which they apply, have evolved. But by the 21st century, this evolution has created disparate tax treatments for everything from right-of-ways to regulatory fees, resulting in inequities among providers that deliver similar services via different means. The Select Committee convened a roundtable meeting to explore ways to modernize the state's telecom taxes. The roundtable came less than two months before the New York Department of Taxation and Finance issued a report detailing the state's various telecom taxes. The Select Committee's report on inequities in the telecommunications system complimented this agency's report, which the Legislature ordered in the 2009-2010 budget.

Findings:

- Disparate treatments in New York's telecommunications tax system largely stem from lawmakers' endeavors to "level the playing field" by expanding the monopolistic-era practices to unregulated utilities and newer technologies. Key inequities identified by state and industry representatives included:
  - Cable companies do not pay property taxes on network equipment on private property, while telecoms' similarly-sited equipment is subject to taxation.
  - Traditional telecoms are exempt from paying property taxes on electronic attachments connected to cables in public rights-of-way, while cable companies are required to pay taxes on this similarly-sited equipment.
  - The New York State Office of Real Property Services requires cable companies to provide less extensive data on their networks, compared to what is required of traditional telecoms.
  - Purchases of equipment for cable television networks are subject to a sales tax while equipment purchased for traditional telecom networks are not subject to the tax.
  - Voice over Internet Protocol (VoIP) and wireless telephone service providers are not required to contribute to the Targeted Accessibility Fund of New York (TAF) while landline telephone companies are subject to that fee.
  - E-911 fees are not collected on prepaid wireless phone cards while a $1.20 monthly state surcharge is levied on customers' postpaid wireless communications bills.
  - Traditional telecoms offering both video and voice services are required to pay the Public Service Commission (PSC) the Section 18-A assessment for telephone-related regulation and the Section 217 assessment fee for television-related regulation while some cable companies engaged in the same activates only pay the latter.
  - Direct broadcast satellite providers do not pay the PSC the Section 217 assessment fee that cable and telecom companies pay when they provide video services.
  - Direct broadcast satellite providers are not required to pay the video franchise fees both cable and traditional telephone companies pay to local governments when providing multichannel video programming services in their communities.
- New York's telecommunications tax policy runs counter to the goals of the state's economic development and regulatory policies. High tax rates, unequal tax treatments and heavy administrative burdens threaten investment in broadband networks, which are crucial to attracting and maintaining businesses. By creating a tax structure that is more onerous on regulated utilities, the state is inadvertently steering New Yorkers toward non-regulated utilities that are not subject to the consumer protection provisions in the Telephone Fair Practice Act.
- Telecommunications taxes and fees represent a vital component of local governments' revenue—totaling almost $900 million in 1998. But industry representatives warned this revenue is not sustainable due to trends steering consumers toward services and

providers that are not taxed. Any state attempts to simplify or equalize the telecommunications tax system would impact local governments significantly. Along with these local concerns, there are several federal telecommunications-related laws which lawmakers need to consider when looking to reform the tax system. They include The Cable Act of 1984, The Telecommunications Act of 1996, The Federal Internet Tax Freedom Act (1998) and The Federal Mobile Telecommunications Sourcing Act (2000).

- The telecommunications industry is largely in agreement that taxes should be based on the type of service—not the means through which it is delivered. There is also a consensus that functionally-equivalent services should be taxed the same way. In recent years, several states have overhauled their telecommunications tax system, and roundtable participants singled out Virginia's 2007 reform as being the most comprehensive and equitable. The cable industry came out in favor of reforms enacted by Virginia, Massachusetts, Ohio, North Carolina and Tennessee, but satellite companies have challenged most of these measures with lawsuits. Twenty-three other states have opted to modernize their telecommunication taxes by adopting the definitions in the Streamlined Sales and Use Tax Agreement, a collaborative project of the National Governors' Association and National Conference of State Legislatures intended to simplify states' sales tax systems.

Conclusion: The Select Committee staff recommended exploring what steps are necessary to achieve the following:

- Implementing a streamlined tax system that utilizes universally-accepted definitions and ultimately reduces administrative burden.
- Developing a more standardized method for imposing real property taxes on traditional telecoms and cable television companies.
- Creating a uniform and competitively-neutral tax structure for multichannel video programming services.
- Outcome: The Select Committee in 2009 began exploring legislation that would create a more streamlined telecommunications tax system and a more competitively-neutral tax structure for multichannel video programming services. This examination will continue this work in 2010.

The Select Committee issued a staff report on telecommunications taxes in October.

Property Tax Exemption Reform

Evaluating the needs for and costs of New York State property tax exemptions.

Roundtable: Albany, October 13, 2009.
The Issue: The rampant growth of property taxes throughout New York State over the past quarter century has fueled an ever-growing demand for relief in the form of exemptions.

But higher taxes call for more relief, which results in higher taxes. The fiscal impacts of this vicious cycle prompted the Select Committee to re-evaluate the various real property tax exemptions New York provides to nonprofit organizations, educational organizations and other institutions. It also reviewed the 30-year history of proposals and recommendations raised by multiple Legislature committees and Executive commissions and agencies to introduce more parity and local government control into the exemption system. Between 2000 and 2008, the equalized exempt value of property statewide jumped 80 percent from $441 billion to $797 billion. That meant there was a significant chunk of additional property value that local governments could not tax to fund municipal operations and schools; thus making non-exempt taxpayers shoulder a heavier tax burden.

Findings:

- Over the past decade, the Legislature has created or expanded several property tax exemptions. These unfunded mandates ranged from exemptions for volunteer firefighters and ambulance workers to first-time homeowners to agricultural structures. With many of these exemptions, local governments either requested or opted into them.
- New York's process for providing local governments with compensation for state lands within their borders has become more irregular because of the Legislature's actions over the past decade. The 2002 decision to make all state land used for public use in Putnam County subject to taxation exacerbated the patchwork of state land compensation methods, which include various tax-based programs, payment in lieu of taxes (PILOT) programs and hybrid programs. State agencies and commissions over the past three decades have made multiple recommendations to establish a uniform PILOT program for all state land, but those proposals have gone nowhere. Most other new state financial aid measures for exempt property have been limited to communities with heavy railroad ceilings, agricultural assessments and forestry exemptions.
- Despite the public outcry over high property taxes, the Legislature has not lost its appetite for property tax exemptions. In 2009, at least a dozen bills were introduced in the Senate proposing to create new exemptions or broaden existing ones. Just as many one-house bills were introduced in the Assembly. The legislation largely focuses on residential and agricultural exemptions. As with many of the exemptions enacted over the past decade, some of the 2009 legislative proposals originated with local requests or feature local options.
- Over the past decade, the Legislature has largely focused its reform efforts on curtailing the growth of exemptions claimed by religious, educational and moral and mental health nonprofit organizations. Despite this focus, the ranks of these groups have grown throughout the state. For example, the number of educational nonprofit organizations last year totaled 7,580, marking a 31.7 percent increase from 1997 and a 153.2 percent jump from 1982. Nonprofit exemptions for the benefit of the moral and mental health of men, women and children totaled 3,432 last year, up 53.4 percent from 1997 and 304.2 percent from 1982. Senators have argued some of this growth is being driven by nonprofit entities that cater to their members' special interests. But the ranks of nonprofit entities have swelled significantly as they moved to fill the social services void

left by the state, particularly through the deinstitutionalization of psychiatric centers in the 1970s. The state Constitution guarantees exemptions for religious, educational and charitable organizations, but it is within the Legislature's authority to establish definitions for those categories.

- Not wanting to cross the line separating church and state, the Legislature and courts have largely declined to place limitations on property tax exemptions claimed by religious organizations. Such apprehensions have derailed attempts to contain nonprofit exemption growth by establishing stricter definitions for eligible nonprofits and land use requirements. However, outside the realm of religion, the Legislature is in a better position to differentiate and draw lines between taxable and tax-exempt property owned by nonprofit organizations—even under existing statute.

Conclusion: The Select Committee staff recommended exploring what steps are necessary to achieve the following:

- Stemming the proliferation of exemptions by requiring legislators to include more detailed fiscal notes in property tax exemption bills. The notes should detail possible funding sources for the unfunded mandates and local government fiscal impacts. ORPS should provide assistance in determining these financial projections.
- Granting local governments more authority in accepting and administering property tax exemption applications and in determining what parts of unused and vacant property can be tax-exempt.
- Limiting the state's exposure to volatile local property tax rates and establishing more equitable and uniform PILOT compensation mechanism for state-owned lands.

Outcome: The Select Committee in late 2009 continued to refine Chairwoman Krueger's circuit breaker legislation, which she will continue to push for in 2010. As detailed in the property tax exemption report, at least two major studies on property tax reform and tax exemptions conducted over the past decade have strongly recommended the creation of a broader personal income circuit breaker program.

The Select Committee issued a staff report on the property tax exemptions in December.

Budget Rules Reform

Improving transparency, forecasting and flexibility in New York State's budgetary process.

Public Hearing: Manhattan, Dec. 17, 2009.
The Issue: By December 2009, New York again found itself in the midst of a fiscal crisis requiring the passage of another deficit reduction plan. While the economic downturn drove many of the state's budgetary problems, they were agitated severely by inadequate planning procedures that impede transparency, forecasting and flexibility. In 2007, the Legislature and former Governor Eliot Spitzer passed a series of budget reforms, which required

everything from the creation of joint conference committees to the itemization of member items in resolutions. But many of these new rules have not been implemented as initially intended, or at all. Recognizing that more changes are necessary to establish a more stable fiscal environment throughout New York, the Select Committee convened a roundtable to improve transparency, forecasting and flexibility in the budget process.

Findings: The Select Committee staff report on the budget reform public hearing was released in early 2010.

IV. 2010 Objectives

Generally Accepted Accounting Principles

In 2009, the Select Committee focused much of its attention on gathering public feedback on an array of reform issues, including personal incomes taxes, businesses taxes, telecommunications taxes, property taxes and budget processes. The Select Committee in 2010 will continue to monitor these issues and examine ways to improve them, with particular attention being placed on ongoing initiatives to align the state's business and banking taxes and to further establishing tax parity with New York City.

Looking forward, the Select Committee's objectives for 2010 include:

- Resolving, through legislation or budget initiatives, the budget and tax policy problems raised during previous public hearings. These actions might include proposals for:
  - A comprehensive property tax bill that features targeted property tax relief based on income and need (i.e. circuit breaker). It should also include aspects of local government consolidation measures and property tax exemption reforms.
  - A tax structure that treats telecommunication companies more equitably by basing taxation on the services they provided instead of the means through which they are delivered.
  - A budget process that encourages long-term planning and public participation through the adoption of a two-year budget cycle, the creation of a legislative budget office, the adoption of a budget based on Generally Accepted Accounting Principles and a later start for the fiscal year.
  - A revenue-neutral and progressive personal income tax system that is indexed to inflation and features smaller and more numerous income brackets, similar to the federal system.
- New issues that the Select Committee expects to explore in 2010 with statewide public hearings include a systematic overhaul of the property tax system, an Empire Zone replacement program, sales tax parity among services and a review of energy tax exemptions.
- To further the dialog and public understanding of the complex budget and tax issues the Select Committee examines, it will continue issuing staff reports after public hearings and roundtable meetings. Select Committee updates and reports will continue to be regularly posted on its Web site.

V. Public Hearing and Roundtable Witness Lists

I. ALBANY PUBLIC HEARING

Exploring progressive changes to New York State's personal income tax system
Thursday, March 12

Oral and/or Written Testimony Given By

Donald Boyd
Senior Fellow
Nelson A. Rockefeller Institute of Government

Ken Pokalsky
Senior Director of Government Affairs
Business Council of New York State

Frank Mauro
Executive Director
Fiscal Policy Institute

E.J. McMahon
Executive Director
Empire Center for New York State Policy

Jessica Wisneski/Bob Cohen
Legislative Director/Policy Director
Citizen Action of New York

Elizabeth Lynam
Deputy Research Director
Citizens Budget Commission

Ron Deutsch
Executive Director
New Yorkers for Fiscal Fairness

Jason Angell
Director
Center for Working Families

Marina Marcou-O'Mailey
Policy Analyst
Alliance for Quality Education

Written Testimony Only Submitted By

Daniel Hahn
Director
Lutheran Statewide Advocacy

Fran Turner
Director of the Legislative and
Political Action Department
Civil Service Employees Association of New York

Richard Gilbert
Regional Vice President
Interfaith Impact of New York State

Bruian McDonnell
Legislative Director
American Federation of State County and Municipal Employees

Dan Jacoby

II. ROCHESTER PUBLIC HEARING

Weighing the fairness of the corporate franchise tax and the effectiveness of its tax expenditures

Thursday, April 30, 2009

Oral and/or Written Testimony Given By

Judy Seil
Executive Director
Monroe County Industrial Development Agency

Christopher Koetzle
Vice President of Membership Services
Support Services Alliance

Randy Wolken
President
Manufacturing Association of Central New York

Ken Pokalsky
Senior Director of Government Affairs
Business Council of New York State

Chris Wiest
Vice President of Public Policy and Advocacy
Rochester Business Alliance

Brian Sampson
Executive Director
Unshackle Upstate

Written Testimony Only Submitted By

Jon Greenbaum
Lead Organizer
Metro Justice of Rochester

III. NEW YORK PUBLIC HEARING

Evaluating the equitability of New York State's business and banking tax structures and their effectiveness to foster economic growth statewide

Thursday, May 21, 2009

Oral and/or Written Testimony Given By

Matthew Gardner
Executive Director
Institute on Taxation and Economic Policy

Michael Smith
President
New York Bankers Association

James Parrott
Chief Economist
Fiscal Policy Institute

Patrick Fleenor
Chief Economist
The Tax Foundation

Nathan Newman
Policy Director
The Progressive States Network, Tax Section

Brian Model
Director
Stonehenge Capital Co.

Nancy Donahoe Lancia
Managing Director of State Government Affairs
Securities Industry and Financial Markets Association
Accountants, Legislative Task Force

Peter Faber
Chairman
The Partnership for New York City, Tax Committee

Angela Miele
Vice President of Tax Policy
Motion Picture Association of America

Thomas Riley
Chairman
New York State Society of Certified Public

Written Testimony Only Submitted By

Jon Huddleston
Executive Director
Multistate Tax Commission
The Clearing House Association

IV. ALBANY ROUNDTABLE

Roundtable on Modernizing New York State's Telecommunications Taxes

Wednesday, August 12, 2009

Oral and/or Written Testimony Given By

Stephen Kranz
Partner
Sutherland Asbill & Brennan LLP

Jeremy Kudon
Senior Associate
Orrick & Herrington LLP
(for DirectTV/Dish Network)

Scott Mackey
Partner
Kimbell Sherman Ellis LLP
(for Verizon/Verizon/Wireless/AT&T/Sprint/T-Mobile)

Victor Mallison
Executive Deputy Director
New York State Office of Real Property Services

Louis Manuta
Senior Attorney
Public Utility Law Project of New York

Scott Olson
Member
Cooper Erving and Savage LLP
(for the New York State Wireless Association)

Robert Puckett
President
New York State Telecommunications Association

Eric Tresh
Partners
Sutherland Asbill & Brennan LLP
(for the Cable Telecommunications Association of New York)

V. ALBANY ROUNDTABLE

Evaluating the needs for and costs of New York State property tax exemptions

Tuesday, October 13, 2009

Oral and/or Written Testimony Given By

Kyle McCauley
Director of Government Relations
New York State Catholic Conference

H. William Batt
Executive Director
Central Research Group

Gene DeSantis
Partner
Malkin & Ross (for New York State Camp Directors Association)

Carol LaGrasse
President
The Property Rights Foundation of America

Brian Houseal
Executive Director
The Adirondack Council

Gerald Jennings
Mayor
City of Albany

Michael Kenneally
Associate Counsel
The Association of Towns of the State of New York

David Little
Director of Government Relations
New York State School Boards Association

Victor Mallison/Jim Dunne/ Jim O'Keefe
Deputy Executive Director/Director of Research/Counsel
New York State Office of Real Property Services

Frank Mauro
Executive Director
Fiscal Policy Institute

Patricia Salkin
Director of Government Law Center
Albany Law School

Bill McCarthy
YMCAs of New York State

Barbara VanEpps
Deputy Director
New York State Conference of Mayors

Sue Ellen Wagner
Executive Director/Vice President
Healthcare Trustees of New York State/Community Health for the Healthcare Association of New York State

Lawrence Witul
Assistant Director
Niagara County Industrial Development Authority

Michael West
Legal Advisor
New York Council of Nonprofits

Written Testimony Only Submitted By

Jonathan Small
Government Relations Consultant
Nonprofit Coordinating Committee of New York

VI. NEW YORK PUBLIC HEARING

Improving transparency, forecasting and flexibility in New York State's budget process

Thursday, December 17, 2009

Oral and/or Written Testimony Given By

E.J. McMahon
Director
Empire Center for New York State Policy

George Sweeting
Deputy Director
Independent Budget Office of New York City

Ron Deutsch
Executive Director
New Yorkers for Fiscal Fairness

Carol O'Cleireacain
Senior Fellow
Brookings Institution

Elizabeth Lyman
Deputy Research Director
Citizens Budget Commission

Dick Dadey/Rachel Fauss
Executive Director/Policy and Research Associate
Citizens Union of the City of New York

Sally Robinson
Issues and Advocacy Vice President
League of Women Voters of New York State

Written Testimony Only Received From

Blair Horner
Legislative Director
New York Public Interest Group

Stephen Acquario
Executive Director
New York State Association of Counties

VI. Index of Select Committee print and online news coverage in 2009

New York State Senate to hold public hearing on progressive taxation
The Albany Project (Albany, blog)
March 8, 2009
http://www.thealbanyproject.com/diary/5952/

A more "progressive" income tax in our state
The Jefferson Democrat (blog)
http://www.jeffersondemocrat.org/2009/03/more-progressive-income-tax-in-our.html

A thousand opinions on effect and future of millionaire's tax
The Capitol (Online news publication)
March 12, 2009
http://www.nycapitolnews.com/news/126/ARTICLE/1453/2009-03-12.html

Business Council opposes personal income tax hike in budget testimony
Business Council Capital Business Blog (Albany, blog)
March 16, 2009
http://capitalbusinessblog.bcnys.org/index.php/2009/03/business-council-opposes-personal-income-tax-hike-in-budget-testimony/

Schlett hired by Albany panel
Watertown Daily Times
March 16, 2009

BCNYS to testify at Senate hearing on corporate tax reform
Business Council Capital Business Blog (Albany, blog)
April 17, 2009
http://capitalbusinessblog.bcnys.org/index.php/2009/04/bcnys-to-testify-at-senate-hearing-on-corporate-tax-reform/

NYSSCPA Past President Testifies for Tax Reform
CPA.Blog (Web site of the New York State Society of CPAs, New York)
May 22, 2009
http://www.nysscpa.org/blog/2009/5/22/nysscpa-past-president-testifies-tax-reform

Bloomberg, Quinn Seek Billions in Breaks for Business
The Village Voice New York State News Blog (New York)
June 8, 2009
http://blogs.villagevoice.com/runninscared/archives/2009/06/bloomberg_quinn.php

Tax Inequities Boost N.Y. Phone Costs
Bloomberg.com
September 25, 2009
http://www.bloomberg.com/apps/news?pid=20670001&sid=ay4IGu5jm7bM

Jennings will join Senate in roundtable on prop tax exemptions
The Times Union Capital Confidential (Albany, blog)
October 9, 2009
http://blog.timesunion.com/capitol/archives/18925/jennings-will-join-senate-in-roundtable-on-prop-tax-exemptions/

Senate committee to discuss tax exemptions
WRGB CBS 6 (Schenectady)
October 13, 2009
http://www.cbs6albany.com/news/tax-1267376-exemptions-senate.html

Lawmakers question property-tax exemptions
The Ithaca Journal
October 13, 2009

Property tax exemptions questioned by lawmakers
Press & Sun-Bulletin (Binghamton)
October 13, 2009

Your Property Tax Burden … The Why.
Albany Citizen One (blog)
October 13, 2009
http://albanycitizenone.blogspot.com/2009/10/your-property-tax-burdenthe-why.html

Trading Ideas on State Deficit
The Times-Union (Albany)
October 14, 2009
http://www.timesunion.com/AspStories/story.asp?storyID=852669

State property tax exemptions scrutinized
Rochester Democrat and Chronicle
October 14, 2009

Property-tax exemptions questioned by lawmakers
The Journal News (Westchester County)
October 14, 2009

NY property tax exemptions draw scrutiny
Star Gazette (Elmira)
October 14, 2009

Testimony to Senate roundtable provides multiple perspectives
Property Tax Monitor (New York State Office of Real Property Taxes newsletter, Albany)
November 2009
http://www.orps.state.ny.us/monitor/nov09/nov09.pdf

No easy fix to tax-exemption problem
The Legislative Gazette (Albany)
November 2, 2009
http://www.legislativegazette.com/Articles-c-2009-11-02-55076.113122_No_easy_fix_to_taxexemption_problem.html

Elmira tax rate up 1.76% in proposed budget
Star-Gazette (Elmira)
November 17, 2009
http://pqasb.pqarchiver.com/stargazette/access/1903139351.html?FMT=ABS

Report: Rein in property tax exemptions
Press & Sun-Bulletin (Binghamton)
December 17, 2009
http://www.pressconnects.com/apps/pbcs.dll/article?AID=2009912170389

Report: Rein in property tax exemptions
The Ithaca Journal
December 17, 2009
http://pqasb.pqarchiver.com/ithacajournal/access/1933061411.html?FMT=ABS

Senate report: Exemptions, tax cap at odds
Poughkeepsie Journal
December 18, 2009
http://pqasb.pqarchiver.com/poughkeepsiejournal/access/1923885811.html?FMT=ABS

Property tax fix pondered in N.Y. Senate
Rochester Democrat and Chronicle
December 21, 2009
http://pqasb.pqarchiver.com/democratandchronicle/access/1925512491.html?FMT=ABS

ABOVE: (Right to left) Senators Bill Perkins, Liz Krueger and Kevin Parker at the Select Committee on Budget and Tax Reform's public hearing on improving New York State's budget process on December 17, 2009 in Manhattan.

COVER: Senator Liz Krueger speaks to experts at the Select Committee on Budget and Tax Reform's roundtable meeting on modernizing New York State's telecommunications taxes on October 13, 2009 in Albany.

NEW YORK
STATE SENATE
NYSENATE.GOV