



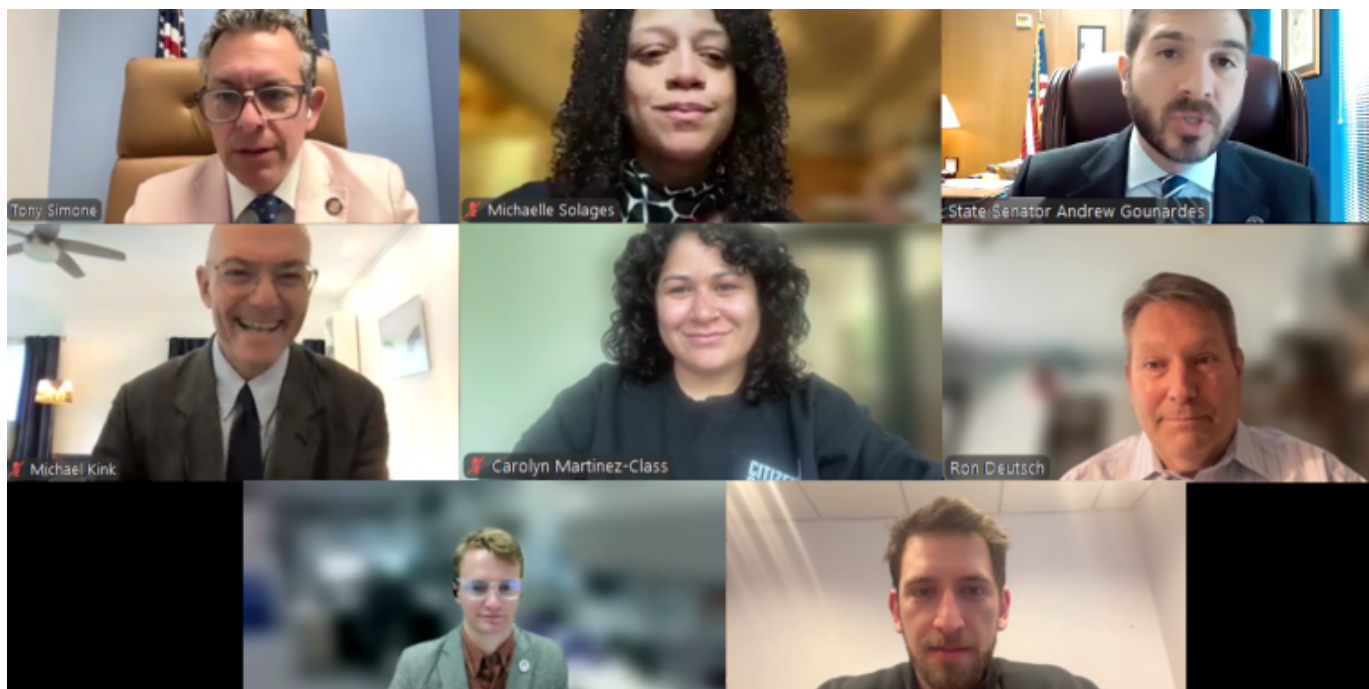
NEW YORK STATE SENATOR

Andrew Gounardes

Sen. Gounardes Introduces Legislative Package to Close Unfair Tax Loopholes

ANDREW GOUNARDES May 14, 2025

| ISSUE: **BUDGET & REVENUE, CHILD TAX CREDIT, ECONOMIC INEQUALITY**



As Congressional Republicans threaten cuts to Medicaid and food stamps to pass tax cuts for the rich, Sen. Gounardes proposes closing tax breaks on gold bars, racehorses, yachts and more, which cost the state billions.

FOR IMMEDIATE RELEASE: MAY 14, 2025

View video [here](#).

NEW YORK, NY — New York State Senator Andrew Gounardes, State Senator Brad Hoylman-Sigal, Assemblymember Tony Simone and Assemblymember Michaelle Solages joined advocates and policy experts today to unveil a legislative package designed to close egregious loopholes in the state tax code that benefit wealthy New Yorkers and corporations.

The legislative package was introduced in the wake of [Congressional Republicans' proposed budget](#), which cuts Medicaid, food stamps and green energy programs to fund tax breaks for the wealthy. Senator Gounardes' proposals to eliminate tax loopholes for everything from gold bars to corporate franchise taxes were inspired by [a report his office published earlier this year](#), which identified questionable, arbitrary and downright absurd state tax expenditures that cost New York nearly \$3 billion in lost tax revenue while providing little obvious public benefit.

The report, which draws on data from the state's Department of Taxation and Finance, found that “while tax expenditures are frequently meant to provide economic incentive and relief, when not continually refined they have the potential to subsidize economic activities and wealth that require little incentive while depriving the state of billions of dollars of revenue.”

The legislative package includes bills to:

- **Limit net operating loss (NOL) carrybacks on corporate franchise taxes** from three years to one year, and limit carry-forwards from 20 years to five years, ensuring wealthy corporations pay their fair share. ([S.7877](#) - Gounardes)
- **Eliminate the sales tax exemption on gold bars and other precious metal bullion, unless it's sold by a central bank or government.** New York forgoes a stunning \$601 million in tax revenue annually by exempting the sale of precious metal bullion from sales tax, as long as the sale

exceeds \$1,000. (*S.7875 - Gounardes/Solages*)

- **Place sales tax on tickets for live entertainment worth \$1,000+.** New York loses \$312M in tax revenue annually from exemptions on ticket sales for live entertainment and movie theaters. While live entertainment provides immense cultural and economic value to New York, the current law offers a tax break on tickets that are so expensive that they are only accessible to the very wealthy. This bill ensures the wealthiest New Yorkers pay their fair share, without making it more expensive for working-class and middle-class New Yorkers to attend live events. (*S.7878 - Gounardes/Simone*)
- **Eliminate the itemized deduction for gambling losses.** This tax carveout is only available to the 10% of filers who itemize their deductions. These filers are, on average, much wealthier than taxpayers taking the standard deduction, which means the state is essentially subsidizing the gambling habits of New York's wealthiest. This bill would end that. (*S.7876 - Gounardes*)
- **Impose full sales tax on racehorses purchased through claiming races.** New York exempts purchases of racehorses from sales and compensating use tax, as long as they are used for horse-betting. It also subsidizes the "flipping" of racehorses for resale by limiting sales tax collection to a portion of the sales price, and exempts racehorse training and maintenance services from sales tax. The carveout for training and maintenance services alone costs the state \$6 million annually. This bill would close these loopholes. (*S.7907 - Gounardes/Simone*)
- **Eliminate the tax deduction on college tuition for wealthy families making over \$1 million.** This tax credit subsidizes a max of \$10,000 in tuition per student. New York makes this credit available for any accredited college, including Ivy League schools charging over \$70,000 a year in tuition, no matter how much money the filer earns. While college affordability is a worthy goal, this means taxpayers are footing the bill for Ivy League tuition for the ultra-wealthy. In 2021, families making \$200,000+ claimed over 72,000 college tuition credits,

amounting to nearly \$33 million in lost tax revenue. This bill ensures taxpayers don't subsidize the wealthy, and allows us to invest in higher education initiatives that benefit those who need support. ([S.7906](#) - *Gounardes*)

- **Reinstate sales and compensating use taxes on private jets.** This absurd tax break, which was created in 2015, benefits ultra-wealthy New Yorkers who own private aircraft. ([S.3856](#) - *Hoylman/Carroll*)
- **Reinstate sales tax on luxury yachts costing over \$230,000.** Like the tax break on private jets, this tax break on luxury yachts was created in 2015 and benefits ultra-wealthy New Yorkers at the expense of everyone else. ([S.3874](#) - *Hoylman/Carroll*)

"Our top priority should be making life easier, safer, and more affordable for New York families, not subsidizing gold bars and private yachts for the wealthy," said **State Senator Andrew Gounardes**. "As Republicans in Congress threaten to slash funding for Medicaid and food stamps, it's on state leaders to step up and protect our communities. But when our tax code includes ridiculous loopholes and carve-outs like these, everyday New Yorkers end up paying the price. New Yorkers deserve a fair, transparent tax code that puts their needs first. These bills are a crucial step toward investing in the working-class and middle-class families that New York depends on."

"It's time past time that the ultra wealthy in New York State pay their fair share," said **State Senator Brad Hoylman-Sigal**. "I'm grateful to Senator Gounardes for sounding the alarm on this important issue and for including two of the bills that I sponsor in his legislative package to close unfair tax loopholes. Our bills will end the nonsensical tax breaks on private jets ([S.3856](#)) and luxury yachts ([S.3874](#)), both of which exclusively benefit the ultra wealthy at the expense of working class New Yorkers."

"While working families pay sales tax on everyday essentials like shoes and school supplies, wealthy investors are shielded from paying tax on gold bars and bullion," said

Assemblywoman Michaelle Solages. "That's not just unfair—it's outrageous. This legislation ends that special carveout and brings more fairness to our tax system."

"Our tax laws have huge loopholes that only benefit the rich while leaving the rest of us to foot the bill," said **Assemblymember Tony Simone.** "That we have tax breaks for selling bars of gold, or for luxury yachts and private jets show how our tax code favors the wealthy while leaving working families behind. By closing these loopholes, New York State could have money to put back towards working families."

"These ridiculous tax loopholes do nothing but line the pockets of the wealthiest New Yorkers. It's hard to believe these exemptions even exist. It's almost farcical, as if Scrooge McDuff wrote the tax code for New York State," said **Ron Deutsch, director of New Yorkers for Fiscal Fairness.** "With federal funding storm clouds approaching, it's long past time to eliminate these giveaways and use these tax dollars to invest in public goods like roads, childcare and education. I tip my captains hat to Senator Gounardes and Assemblymember Solages for sponsoring this common sense legislation."

"Our state should be taxing billionaires, millionaires and wealthy corporations, not subsidizing their yachts and jets and gold bars and gambling debts. It's outrageous and it's got to end," said **Michael Kink, Executive Director of the Strong Economy For All Coalition.**

"New York State has had a serious governance problem for decades: It spends billions of dollars each year on tax breaks for the wealthy and powerful business interests while working people have to swallow budget cuts to their public schools, hospitals, childcare centers, affordable housing developments, and the MTA," said **Nathan Gusdorf, Executive Director of the Fiscal Policy Institute.** "This problem will only get worse when the State loses billions in federal funding from the budget cuts that are about to be passed by Congress (including some of New York's own representatives). This legislative package will improve

the fairness of our tax system by removing tax breaks that have no coherent policy rationale, and it will help prepare for federal budget cuts by recapturing revenue that never should have been lost.”

“This package of legislation will raise billions that can be put towards critical investments that directly support transit riders, such as maintaining and expanding the \$1.5 trillion asset that is the MTA system. With the threat of federal cuts looming and affordability more precarious than ever, austerity and disinvestment are not an option, making it more important than ever to find creative and equitable ways to raise revenue,” said **Jack Connors, Research & Communications Associate at the Permanent Citizens Advisory Committee to the MTA.** “PCAC applauds Senator Gounardes, Senator Hoylman-Sigal, and Assembly Members Simone, Solages, and Carroll for championing a package of bills that does just that by closing tax loopholes that benefit a select few to the detriment of the many.”

“New York is the most economically unequal place in the country - and that inequality is a product of a tax code that benefits the ultra-rich through tax breaks and loopholes,” said **Carolyn Martinez-Class, Invest in Our New York Campaign Manager.** “This legislative package represents a strong step toward ensuring that the richest New Yorkers pay their share.”

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2025-S7877

- Introduced
- - In Committee Assembly
 - In Committee Senate
- - On Floor Calendar Assembly
 - On Floor Calendar Senate
- - Passed Assembly
 - Passed Senate
- Delivered to Governor
- Signed By Governor
-

Relates to application of net operating losses in the calculation of corporate franchise taxes

May 13, 2025

In Senate Committee [Budget and Revenue](#)

Sponsored by [Andrew Gounardes](#)

Do you support this bill?

2025-S7875

- Introduced
- - In Committee Assembly
 - In Committee Senate
- - On Floor Calendar Assembly
 - On Floor Calendar Senate
- - Passed Assembly
 - Passed Senate
- Delivered to Governor
- Signed By Governor
-

Relates to the sales and use tax exemption for certain transactions in precious metal bullion held for investment purposes

May 13, 2025

In Senate Committee **Finance**

Sponsored by **Andrew Gounardes**

Do you support this bill?

2025-S7878

- Introduced
- - In Committee Assembly
 - In Committee Senate
- - On Floor Calendar Assembly
 - On Floor Calendar Senate
- - Passed Assembly
 - Passed Senate
- Delivered to Governor
- Signed By Governor
-

Relates to the imposition of sales tax on admission to places of amusement

May 13, 2025

In Senate Committee **Finance**

Sponsored by **Andrew Gounardes**

Do you support this bill?

2025-S7876

-
- Introduced
 - - In Committee Assembly
 - In Committee Senate
 - - On Floor Calendar Assembly
 - On Floor Calendar Senate
 - - Passed Assembly
 - Passed Senate
 - Delivered to Governor
 - Signed By Governor
 -

Relates to the itemized deduction for gambling losses

May 13, 2025

In Senate Committee **Finance**

Sponsored by **Andrew Gounardes**

Do you support this bill?

2025-S7907

- Introduced
- - In Committee Assembly
 - In Committee Senate
- - On Floor Calendar Assembly
 - On Floor Calendar Senate
- - Passed Assembly
 - Passed Senate
- Delivered to Governor
- Signed By Governor
-

Relates to the imposition of sales tax on the sale of race horses made through claiming races

May 13, 2025

In Senate Committee **Finance**

Sponsored by **Andrew Gounardes**

Do you support this bill?

2025-S7906

- Introduced

- ◦ In Committee Assembly
 - In Committee Senate
- ◦ On Floor Calendar Assembly
 - On Floor Calendar Senate
- ◦ Passed Assembly
 - Passed Senate
- Delivered to Governor
- Signed By Governor
-

Relates to the college tuition credit

May 13, 2025

In Senate Committee **Finance**

Sponsored by **Andrew Gounardes**

Do you support this bill?

2025-S3856

- Introduced

- ◦ In Committee Assembly
 - In Committee Senate
- ◦ On Floor Calendar Assembly
 - On Floor Calendar Senate
- ◦ Passed Assembly
 - Passed Senate
- Delivered to Governor
- Signed By Governor
-

Relates to the imposition of sales and compensating use taxes with respect to certain aircraft; and repeals certain provisions of the tax law relating thereto

January 30, 2025

In Senate Committee Finance

Sponsored by Brad Hoylman-Sigal

Do you support this bill?

2025-S3874

- Introduced

- ◦ In Committee Assembly
 - In Committee Senate
- ◦ On Floor Calendar Assembly
 - On Floor Calendar Senate
- ◦ Passed Assembly
 - Passed Senate
- Delivered to Governor
- Signed By Governor
-

Repeals subdivision (jj) of section 1115 of the tax law and subdivision 13 of section 1118 of the tax law relating to sales and compensating use taxes imposed with respect to vessels

January 30, 2025

In Senate Committee **Finance**

Sponsored by **Brad Hoylman-Sigal**

Do you support this bill?