



NEW YORK STATE SENATOR

John A. DeFrancisco

Senator DeFrancisco Fights for Amendment to Stop State Budget's Assault on Middle-Class Taxpayers

JOHN A. DEFRANCISCO April 2, 2009

Senator John A. DeFrancisco (R-I-C, Syracuse), Ranking Member of the NYS Senate Finance Committee, today fought for and cosponsored a Republican-sponsored amendment that would have eliminated dozens of new taxes and fees included in the State Budget that will force the average Upstate, middle-class family to pay more than \$2,350 in additional taxes this year.

Despite the fact that New Yorkers are dealing with the worst economic crisis since the Great Depression, Senate Democrats voted against the Republican-sponsored amendment. The Democrat-negotiated State Budget increases taxes, fees and other revenue actions by more than \$8 billion.

"During these difficult times we should be doing all that we can to help struggling New Yorkers," said Senator DeFrancisco. "Instead the Democrat-led budget will make it much more difficult for our residents to pay their taxes and make ends meet. This is a disastrous budget, and it comes at the worst possible time for New York State families, individuals and businesses."

Senate Republicans were successful in getting Governor Paterson to drop \$1.2 billion in nuisance taxes he proposed as part of his Executive Budget, but the final Budget still includes approximately \$4 billion in taxes and fees added by Senate and Assembly Democrats. In addition, Democrat leaders crafted a plan in secret to raise income taxes by more than \$4 billion, the largest tax increase in State history.

"The Governor, under the pressure generated by the Senate Republicans, cut some of his proposed tax increases, but he did not go nearly far enough," said Senator DeFrancisco. "The State Budget still includes many tax hikes that directly target middle-class families and force them to pay more for things like hunting and fishing licenses, auto rentals, cigars and beer. Our amendment would have eliminated these 'little taxes' that add up to a whole lot and hurt our already struggling taxpayers."

The Democrat-led Budget includes the following tax and fee increases:

- Personal Income Tax (PIT) increase - \$4.1 billion
- Elimination of Middle-Class STAR Rebates - \$1.6 billion
- Governor's proposed Utility Tax increase - \$600 million
- Tax on Family and Individual Health Insurance Policies (DRP) - \$240 million
- State and City University Tuition Tax - \$220 million
- Shift Healthy NY Direct Pay Stop Loss to Insurance Assessment (DRP) - \$180 million

- Other Nuisance Fees including hunting and fishing licenses - \$178 million
- Hospital Assessment Tax - \$158 million
- Limit Itemized Deductions for High Income Taxpayers - \$140 million
- Hospital Surcharge Tax - \$126 million
- HMO Tax - \$120 million
- Governor's Tax Increase on businesses in Empire Zones - \$90 million
- Increased Fees Drivers Registrations and License Renewals - \$90 million
- Impose Fee on Non-LLC Partnerships - \$50 million
- Enhanced Bottle Bill - \$50 million
- Change Tax of Overcapitalized Captive Insurance Corps - \$33 million
- Impose Sales Tax on Transportation-related Activities - \$26 million
- Home Care Assessment Tax - \$14 million
- Increase Beer/Wine Tax - \$14 million
- Cigar Tax - \$10 million
- Expand Sales Tax Vendor to Dot-Com's - \$9 million
- Auto Rental Tax - \$8 million
- Non-resident Covered Lives Assessment Tax - \$5 million

- Highway Use Tax Fee Increase - \$5 million
- Tax In-state use of Out-of-State Vehicles - \$4 million
- Repeal Underutilized Credits - \$2 million
- Gain Tax Nonresident Partner - \$10 million annually
- Presence in New York PIT tax - \$5 million annually