



NEW YORK STATE SENATOR

Stephen M. Saland

Saland Stunned at Shortsightedness of Democrats in Enacting Aircraft Sales Tax

STEPHEN M. SALAND March 30, 2009

Senator Steve Saland (R,I,C Poughkeepsie), Senator Vincent L. Leibell (R,I,C Patterson), Assemblyman Marcus J. Molinaro (R,I,C Red Hook), Assemblyman Joel Miller (R,I,C Poughkeepsie) and local business leaders today denounced the “three New York City Democrat men in a room” who negotiated a secret State Budget and left in provisions which will have a devastating effect on Dutchess County. Previously, Dutchess County’s state legislators, wrote to the Governor, Senate Majority Leader Malcolm Smith and Assembly Speaker Sheldon Silver to apprise them of the impact this would have on Dutchess County

Associated Aircraft Group, Inc. (AAG) in Wappingers Falls will lose its sales tax exemption on helicopter transport and purchasing new aircraft. AAG has indicated that while the loss of this exemption will not cripple the company, it will cause it to exit from Dutchess County as it intends to move the business out of state, with a direct loss of 79 jobs.

“Jobs, not taxes, are the way New York is going to get back on firm fiscal ground,” said Senator Saland. “With the pending departure of AAG, leaving to escape an onerous business tax, our county faces the loss of at least 79 jobs, as well as the loss of revenue generated for the town, county and State. This downward spiral has to stop.”

Senator Leibell said, "Dutchess County simply cannot sustain this kind of job loss, especially during times of such economic turmoil. I cannot imagine what the three Democrat leaders of this State were thinking. They certainly didn't listen when we told them how this will devastate our area."

Assemblyman Molinaro said, "This will devastate the industry in New York, kill jobs and damage our local economy. Adding to the absurdity of this proposal will be that the state will not even generate the revenue. Engaging in a transparent open process would have shed light on this damaging proposal."

Assemblyman Miller said, "At a time of economic uncertainty, it is foolish for the Governor to propose actions which will potentially eliminate well-paying jobs in Dutchess County."

Ann Meagher, President of the Greater Southern Dutchess Chamber of Commerce said, "New York State is already one of the most oppressive climates for business growth and development—and the fact that the concerns of AAG and their 79 employees were ignored in this budget bill, to me, adds insult to injury. If this proposed budget is enacted, the Hudson Valley—already in fierce business competition with neighboring states—would be dealt yet another critical blow in terms of opportunities to encourage economic development. AAG will be in their full right to pick up and take off. This has been the worst exercise in public policy making that I have experienced yet in my four-year Chamber career – and my fear is that this is only just the beginning."

"We hate to leave New York," said Tom McQuade, Executive Vice President of AAG. "We've thrived here in Dutchess County. But we can't compete and now we'll have to base aircraft in other states".

“I’m just perplexed and very disappointed that we will obviously lose not only a key business in Dutchess County, but I believe there will be a ripple effect throughout the State with similar businesses – a short sighted move which will make businesses fly away,” said Charles S. North, President and CEO of the Dutchess County Regional Chamber of Commerce.

“For many years, the Senate Republican Majority was the voice of reason in holding back increased taxes. Now Senator Malcolm Smith, the Democrat in charge of the Senate is falling in line with his other anti-business New York City Democrat cohorts. They should be ashamed of themselves,” Saland concluded.