



NEW YORK STATE SENATOR

Liz Krueger

Speaker Quinn, Council Member Yassky, Senator Krueger and Drum Major Institute Release Report on Restructuring City Income Tax Announce Legislation to Eliminate Unfair Tax on Low Income Families

[LIZ KRUEGER](#) February 16, 2009

City Hall – City Council Speaker Christine C. Quinn, Council Member David Yassky, State Senator Liz Krueger, and Mark Winston Griffith, Executive Director of The Drum Major Institute for Public Policy today released a new report detailing a proposal to bring fairness to the city's income tax. In addition, Speaker Quinn announced that Senator Krueger will be introducing legislation in Albany allowing the City to bring common sense tax relief to working families.

There are approximately 224,000 households in New York City earning under \$45,000 a year who are not required to pay either State or Federal income taxes, yet are still taxed by New York City. Roughly 97% of these families have children, and 71% are single parent households.

The proposal, developed by Speaker Quinn and Council Member Yassky in partnership with the Drum Major Institute, would eliminate personal income taxes for those families – an average of \$320 dollars. All told, there are over 700,000 people in the city – most of them children – that stand to benefit from elimination of this unfair burden.

The report also suggests that this will be an extremely effective way to get money flowing into the local economy, by putting more money into the hands of low and moderate income families who are most likely to spend it in ways that stimulate the economy.

“For years, New York City has placed an unfair tax burden on families who are struggling to make ends meet,” said Council Speaker Christine C. Quinn. “Our proposal will put a little extra money back in their pockets for things like food, clothes or a doctor’s appointment. And by removing the barriers these families face, we can help them climb up the economic ladder.”

“This adjustment to the City's income tax structure will not only restore basic fairness to the system, but put some extra money back into the pockets of those who need it most,” said Council Member David Yassky. “While all New Yorkers are feeling the effects of this economic crunch, it is those receiving this tax credit who are most likely to use the money to benefit their families and the small businesses across our City that are so desperately in need of an increase in economic activity. If our City is to thrive in the long-term, it is vital we enact policies now that will allow these working families and small businesses to begin on the road to recovery.”

“I look forward to working with City Council Speaker Christine Quinn on her plan to eliminate New York City income taxes for those making less than \$45 thousand per year,” said State Senator Liz Krueger. “Our smartest economists have documented that getting money into the hands of lower income families is the best way to stimulate our economy in bad economic times. In order to enable the City to make this change to its local Personal Income Tax code, I will be introducing legislation in Albany that will allow, but not mandate, New York City to make such changes to its own local tax policies.”

“This income tax restructuring will provide a big boost to the low income and moderate income New Yorkers who are among the hardest hit by this recession, while also stimulating the city’s economy by putting money into the hands of those most likely to spend it quickly,” said Mark Winston Griffith, Executive Director of The Drum Major Institute for Public Policy. “The modest realignment we propose will remove a major barrier in the path of current and aspiring middle class families struggling to make ends meet.”

In 2008, New York City raised an estimated \$71.9 million by taxing these families — less than two-tenths of one percent of total city revenue for the year. The majority of households affected make between \$10,000 and \$20,000 in taxable income per year.