



NEW YORK STATE SENATOR

Charles J. Fuschillo Jr.

Senator Fuschillo Announces Senate Passage of Legislation to Cap State Spending & Require Supermajority Vote to Raise Taxes

CHARLES J. FUSCHILLO JR. January 20, 2011

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Senator Charles J. Fuschillo, Jr. (R-Merrick) announced that the New York State Senate has passed legislation that would create a state spending cap to ease the burden on taxpayers and ensure the state reduces its spending and lives within its budget. In addition, the Senate passed legislation which would require a two-thirds “supermajority” vote of the legislature in order to raise taxes, making it more difficult to increase costs on taxpayers. Senator Fuschillo supported both bills.

“High taxes and excessive spending are driving people and businesses out of New York State. Capping state spending will help ensure the state tightens its belt and lives within its means, just as families must do. Additionally, requiring a supermajority vote to raise taxes will further help reduce state spending by making it harder for Albany to literally ‘pass the buck’ onto already overtaxed, overburdened New York taxpayers. The Assembly should join the Senate in approving these measures,” said Senator Fuschillo.

STATE SPENDING CAP

For the third time, the Senate voted to pass a state spending cap that ensures New York spends no more than taxpayers can afford. The cap would be set at 2 percent or 120 percent of the CPI (currently 1.9 percent), whichever is lower.

Under the constitutional amendment, year-to-year State spending increases would be limited to 120 percent of the Consumer Price Index (CPI) or 2 percent, whichever is less. In any given year, fifty percent of tax revenue that exceeded the cap would be placed in a reserve fund and fifty percent would be returned to taxpayers in the form of direct tax rebates.

In addition, the proposal would force the Executive to resubmit a balanced Budget to address any shortfalls in revenue that occur after the submission of the Executive Budget, and make any necessary spending revisions to reflect the declining revenue.

The constitutional spending cap proposal would give the Governor the authority to exceed the cap in the event of a fiscal emergency or other extraordinary circumstances, however, the Comptroller would be required to independently certify the financial crisis.

If the state spending cap was in place now the state would be forced to reduce projected spending next year by \$9 billion, forcing the budget gap to be solved without raising taxes. Had the state spending cap been in place for the past 10 years the state would be spending \$30 billion less next year.

According to a report by the National Conference of State Legislatures, thirty states have put in place statutory or constitutional tax or spending limits.

SUPERMAJORITY VOTE TO RAISE TAXES

In the last two years, Democrats in the Senate and Assembly raised taxes by \$14 billion, which Senator Fuschillo strongly opposed. In the Senate, it would have taken only one vote to stop these tax hikes that devastated families and businesses. This constitutional amendment would require a two-thirds “super majority” vote in each house, rather than a simple majority, to make it much more difficult to raise state taxes. Sixteen states currently require more than a majority vote to increase taxes.

Both bills would create amendments to the state constitution and, if signed into law in two consecutive sessions of the legislature, would be put before voters as a referendum for approval.

The legislation was sent to the Assembly for consideration.

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