



NEW YORK STATE SENATOR

Lee M. Zeldin

## Statement From Senator Lee M. Zeldin On The 2011-2012 New York State Budget

LEE M. ZELDIN March 30, 2011

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During my campaign, I committed to cut taxes, reduce spending and empower private sector job growth. This year's State Budget is my first opportunity to make good on those commitments, and I'm very pleased that my efforts have achieved significant success. The new \$132.5 billion spending plan my Senate colleagues and I are enacting decreases year-to-year spending by 2 percent, reduces state agency operations by 10 percent, reduces Medicaid by \$2.8 billion and puts New York back on the road to fiscal recovery.

Since I came into office this past January, I have been working hard with my new colleagues to close New York's \$10 billion 2011-12 fiscal year State budget deficit. That deficit has been completely eliminated –

without raising taxes! Additionally, the 2011-2012 State Budget delivers on my initiative to repeal the Saltwater Fishing License Fee. The state budget also cuts the Legislative budget by 10%. The legislature should not be willing to make others sacrifice if we aren't willing to do it ourselves as well.

At the same time, the budget restores \$272 million to the Governor's original school aid cuts. The Governor had proposed new unfunded mandates on school districts which have also been addressed in the education aid restoration. The new budget agreement ensures that Long Island Schools are funded more fairly and equitably than was originally proposed in the Governor's Executive Proposal.

It is imperative that in our local communities and the state legislature, we vigorously pursue new ways to deliver a quality education to our school children while also providing property tax relief. This requires more than just a tightening of our belt. This will require an immediate pursuit of vision, perseverance, and cooperation. I will work 7 days a week, in partnership with the taxpayers of my district, to implement solutions. All options must be on the table to achieve two common goals: property tax relief and a quality education for our kids. This will not be easy and cannot be resolved in a sound bite.

There has been a lot of talk about the Personal Income Tax Surcharge (i.e., "millionaire's tax") on New Yorkers earning over \$200,000 per year. I have heard a lot of varying rumors from different sides of the argument. The fact is that New York State has the worst business climate in the entire country. We have the highest corporate and individual marginal income tax rates in America. Long Island companies must contend with more obstacles than businesses in other states. In addition to the PIT Surcharge, our businesses pay the MTA Payroll Tax, the highest income taxes, the highest property taxes, the highest salary overhead, the highest energy and insurance costs and more.

Businesses are leaving Long Island regularly and taking our jobs with them. Our state has also been losing income as wealthy New Yorkers make the decision to move to bordering states and pay lower taxes elsewhere. It is absolutely impossible to improve the business climate of our state while ignoring the realities that our tax laws and regulatory policies are the biggest driving factors for the exodus. Everyone needs to understand that there are multiple fronts to the challenges facing our state.

We must improve the business climate while acknowledging the reality that lower and middle income New Yorkers are also struggling. Many are unemployed and underemployed. Many struggle with some of the same factors driving businesses out of our state. People are defaulting on credit cards, losing homes to foreclosure, and even struggling to put food on the table. Our present economy is currently one that I don't ever want my children's generation or their children's generation to ever witness. That's why I am grateful to be serving as a State Senator right now and putting policies in place now that will benefit New York for many years to come.

However, our work is far from complete. This year's budget agreement also produces great results for the following fiscal year, 2012-13. The estimated 2012-13 budget deficit, recently projected to be \$15 billion, has been reduced to \$2 billion. We must eliminate that as well. People are still out of work, property taxes are still too high, and fiscal challenges still face our communities and state.

While it's remarkable how well the Governor and legislature have worked together in delivering an on-time budget, important work still lies ahead, including a repeal of the MTA Payroll Tax. We have taken a very difficult, bold, and important step forward, but there are many more priorities to be addressed.

I was proud to cosponsor the Governor's Program Bill for a 2 percent tax cap, which the Senate passed on January 31st. A property tax cap is and remains one of my top priorities for the 2011 Legislative Session. Now it's the Assembly's turn to act on this important legislation. The Assembly can and should bring the Governor's Program Bill to the floor for a vote this session so that it can take effect as soon as possible.

I also believe that the Legislature and Governor should pursue meaningful mandate relief, which will also help reduce property taxes throughout Long Island and New York State. New Yorkers need property tax relief and the Legislature must start listening and acting on this immediate need. Our taxpayers are the special interest group that requires the most amount of attention, concern and responsiveness.

The residents of the Third Senate District are very fortunate to have a Senate Majority Leader in Dean Skelos. He has been more than a partner in my efforts to fight for the residents of our district. He is a leader for Long Island and New York State who will play a critical role in assisting me in my efforts to best represent you going forward.

This is a challenging time for our state and I am honored to do my absolute best fighting for the Third Senate District and the future of New York State. Please stay engaged and assist your civics, school boards, as well as local, state and federal elected officials. The strength of our character and resolve will get all of us through these very trying times.