



NEW YORK STATE SENATOR

Martin Malavé Dilan

Super Committee Fails – Now is Not the Time to Cut Taxes for Millionaires

MARTIN MALAVÉ DILAN November 22, 2011

| ISSUE: **TAXES, INCOME TAX**

New York could lose billions as a result of automatic cuts

State Senator Martin Malavé Dilan (D-Bushwick) expressed his disappointment that the Federal Committee appointed to strike a deficit reduction deal has announced its failure. The committee's failure to reach an agreement sets in motion an automatic plan to cut \$1.2 trillion in federal spending beginning in 2013.

"The inability of Washington to come to an agreement to reduce our nation's debt could cost New York about \$5 billion in federal funding over the next 10 years. Now, more than ever, we need to reassess our tax policies and extend the income tax surcharge on individuals earning over \$1 million a year. I cannot in good conscience support what equates to a tax cut for the highest earners in our state," said Senator Dilan.

Senator Dilan has been a vocal supporter of a straight extension of the income tax surcharge for individuals and families earning over \$250,000 annually – and joined his colleagues in opposition to the Governor's decision not to extend the surcharge in his 2011-12 budget. Alternate legislation, (S.5343/A.7802), introduced by Senator Tony Avella and Assembly Speaker Sheldon Silver, would extend the surcharge only for those earning more

than \$1 million per year. The extension of the tax will generate more than \$4 billion in revenue for the state by 2014.

“While I supported an extension of the surcharge at the current rates, the true millionaire’s tax is a compromise I believe is prudent and necessary. Families all over New York are struggling to make ends meet, the State has made painful cuts and as Governor Cuomo announced, we will face a much larger than expected budget shortfall next year,” Senator Dilan said.

Governor Cuomo announced a \$350 million shortfall in the 2011-12 adopted budget with an estimated budget gap of \$3.25 billion for 2012-13, up from the previous estimate of \$2.379 billion.

“We have already asked the most vulnerable citizens to shoulder the heavy burden of government spending cuts and we simply cannot ask for them to endure another round,” said Senator Dilan. “By extending the income tax surcharge on New Yorkers earning over \$1 million, we can avoid additional cuts and add more dollars to the areas where we need them. Our state and national economies have yet to improve and the income gap between the wealthiest 1 percent in our country and the other 99 percent continues to grow. The middle class are losing jobs and struggling to stay afloat while the super-rich and ‘too big to fail’ corporations enjoy generous tax breaks and record profits,” said Senator Dilan. “It is time we implement a shift in our policies – a shift that will protect the investments of the many, not of the few, so we can strengthen the country and our state from the ground up.”

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