



NEW YORK STATE SENATOR

Jack M. Martins

From the Desk of Senator Martins

JACK M. MARTINS December 12, 2011

| ISSUE: **INCOME TAX**

Tax Cuts For the Middle Class

I couldn't wait to sit down and pen this column, and to be frank, I wasn't sure the day would ever come. The subject is a tax cut for the middle class, an issue discussed relentlessly by politicians, but one that has proven to be a rare and elusive animal in the world of real policy. Now, after over fifty years of increased New York State income taxes, it became a reality this past week in Albany.

I am pleased to inform you that the Senate, Assembly and Governor worked together to bring you the Middle Class Tax Cut and Job Creation Bill that officially reduces taxes for more than 4 million New Yorkers to the lowest point in 58 years. It also eliminates the MTA payroll tax for 78 percent of those employers currently paying it and further stimulates job growth by providing tax credits for hiring young people and by investing heavily in rebuilding New York's decaying infrastructure. We've even lowered the rate for certain manufacturers, providing a major boost for private sector job creation. Simply put, this far-reaching plan puts jobs and money back into the hands of the people most likely to dig us out of this recession – the working, middle class.

But enough generalities - you want to know specifically what you can expect. If you file married with income between \$40,000 and \$150,000 or single with income between \$20,000 and \$75,000 your tax rate decreases from 6.85 percent to 6.45 percent. For couples filing married that earn between \$150,000 and \$300,000 and singles with incomes between \$75,000 and \$200,000, your tax rate is reduced from 6.85 percent to 6.65 percent. For high earner incomes over \$1 million, \$1.5 million, and \$2 million for single, head of household, and married filers, respectively, the tax rate now stands at 8.82 percent. This is a decrease from the surcharge level of 8.97 percent that was due to expire at the end of this calendar year.

While it was enacted with unanimous bi-partisan support, it was not easy to come to a consensus, particularly with as sensitive a subject as taxes. There were certainly things in it that I would have done differently but there was enough there for middle-class taxpayers that warranted our negotiating. Besides, it's time we recognize that no one group ever has all the answers. The worst economic downturn since the Great Depression hammered us equally, regardless of political ideology, and it called for bold action. We put partisan politics aside, taxpayers first, and formed a piece of legislation that is worthy of the citizens we represent. Your legislative body worked together in ways that perhaps no other legislative body in the country has, certainly not in a gridlocked Washington D.C.

As I've written here in the past, this newfound ability to get things done in Albany is a victory in and of itself. We've had a year of historical firsts. Working with Governor Cuomo we passed an on-time budget that erased a \$10 billion deficit, instituted a property tax cap, established mandate relief and now have even lowered taxes for millions of New Yorkers.

I am reminded of Winston Churchill's story of the prisoner, who was confined for twenty years to a dungeon until one day he happened to push the door of his cell which all the time had been unlocked, and walked out free into the open air. New York was a prisoner to her own inhibitions as well, perpetually locked in a "we've always done it this way" mentality. For

too long we believed that we were doomed to dysfunction, so no one even tried. I thank my colleagues on both sides of the aisle for demonstrating what truly collaborative legislative effort can achieve.

I'll be returning to Albany soon as there's still much to do. It's a work in progress but I can wholeheartedly say that New York is better today than it was a year ago and is getting better and stronger every day.