



NEW YORK STATE SENATOR

Michael F. Nozzolio

Senator Mike Nozzolio Calls for Repeal of Utility Tax Surcharge

MICHAEL F. NOZZOLIO February 6, 2013

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Continuing his aggressive efforts and commitment to lower taxes for New York's hardworking families, senior citizens and job-producing business, State Senator Mike Nozzolio has called for the repeal of New York's job killing Utility Tax Surcharge. The proposed five-year extension of this 2% tax on all utility bills, would cost homeowners and businesses a total of almost \$3 billion dollars.

"The extension of the Utility Tax Surcharge would be a giant step backward for jobs and the economic recovery of Upstate New York. Our State's hardworking families and job-producing businesses already pay some of the highest utility rates in the country and repealing this surcharge is an opportunity to reduce the price of energy for all New Yorkers," said Senator Mike Nozzolio.

According to figures from National Grid, the impact of the energy tax extension on average household utility bills would be an increase of \$55 dollars per year. The increased cost for a typical large business is estimated at \$30,000 dollars per year and the added cost on a typical small business would be about \$540 dollars per year.

Heather Briccetti, President and CEO of The Business Council of New York State, said “New York's electric rates are heavily burdened by hidden taxes. A report by Public Policy Institute finds more than one-quarter of electric bills in New York are from state and local taxes. Extending the so-called ‘Section 18-a’ fee will cost all energy consumers in the state at total of \$2.8 billion. We urge the governor to reconsider and use the 21-day amendments process to amend or remove Part N. In 2009, when this temporary fee was imposed, there was an explicit promise to the people of the state that this tax would not be permanent.”

Mike Durant, New York State Director of the National Federation of Independent Businesses (NFIB), said “Energy costs consistently rank as a top concern for small business, and assessments such as 18-a have been a significant cost driver in energy. Repealing this onerous tax has been a priority for NFIB and we are pleased to join with the Senate Republican Conference in calling for this tax extension to be removed from the Executive Budget proposal.”

Brian Sampson, Executive Director of Unshackle Upstate, said “New York businesses and homeowners continue to pay some of the nation’s highest energy costs, and state-imposed taxes such as the 18-a tax are a big part of those high energy costs. We have called for the repeal of this regressive, onerous and anti-economic growth energy tax since it was first enacted, and we strongly oppose any extension beyond its planned 2014 expiration.”

Julie Suarez, New York Farm Bureau Public Policy Director, said “At a time when the prices of feed and fuel are sky high for our members, it is imperative for the state to allow the Article 18-a assessment step down to go forward to help contain rising production costs. Profit margins are thin at best for many

of New York's family farms, and keeping the 2% "tax" in place is not the business friendly approach that will help New York's farms be more competitive."

Beth Finkel, State Director for AARP New York, said "AARP commends the Senate for their leadership in working to make utility bills more affordable for all New Yorkers. This is a crucial kitchen table issue, as state residents pay some of the highest utility costs in the nation, a status that takes an unduly harsh toll on the elderly and those on fixed incomes. This move, coupled with AARP's push to help consumers have a stronger voice during rate hikes, is surely needed to help New Yorkers better afford the basic necessity of their utilities."

"New York's high energy costs are already the biggest impediment to job growth and economic recovery in our State. I will continue my efforts to repeal this surcharge and provide relief for New York's energy consumers. We must do everything possible to cut taxes and control spending, to create a better future for our young people, friends and community," concluded Senator Mike Nozzolio.

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