



NEW YORK STATE SENATOR

John J. Bonacic

Senator Bonacic Urges Governor Cuomo to Remove Utility Tax Surcharge Extension From Executive Budget

JOHN J. BONACIC February 8, 2013

Senator John J. Bonacic (R,C,I- Mt. Hope) is urging Governor Cuomo to remove the proposed extension of the utility tax surcharge from his Executive Budget. The 18-a surcharge, which has increased utility bills for every ratepayer in the state, is scheduled to expire on March 31, 2014. The Governor's proposed five-year extension would cost businesses and consumers a total of almost \$3 billion.

"Governor Cuomo must remove this surcharge extension from his budget proposal. The extension of this energy tax surcharge, which I have strongly opposed, would be a step in the wrong direction. Extending this tax surcharge raises utility costs for every resident and business in the state. We have worked together over the last two years to move New York State back in the right direction, by creating jobs, promoting economic development and making New York State more economically competitive," said Senator Bonacic.

The energy tax surcharge was imposed in 2009 on electric, gas, steam and non-municipal water services. Senator Bonacic strongly opposed the surcharge and voted against its adoption. The surcharge was intended to be a temporary measure that would expire on March 31, 2014. However, the 2013-14 Executive Budget proposes to extend the tax surcharge for another five years.

The proposed extension would cost energy ratepayers statewide \$509 million for this year and the following four years, as well as \$255 million in state fiscal year (SFY) 2018-19. The total impact of the extension would be \$2.8 billion, with most of the burden falling on small and large businesses, particularly manufacturers that use large amounts of energy.

Heather Briccetti, president and CEO of The Business Council of New York State, Inc. 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 a 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."

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