



NEW YORK STATE SENATOR

Thomas F. O'Mara

O'Mara critical of Cuomo failure to pull the plug on utility tax as part of budget amendments

THOMAS F. O'MARA February 22, 2013

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Albany, N.Y., February 22—State Senator Tom O'Mara (R-C, Big Flats), a member of the Senate Energy and Telecommunications Committee, today criticized Governor Andrew Cuomo for failing to take action on his own to reject a five-year extension of a “staggering” energy tax first imposed on New Yorkers in 2009.

O'Mara said that he and his Senate Republican colleagues will continue to push for the proposal's rejection during final state budget negotiations with the Assembly and the governor over the next several weeks.

"We're going to do everything we possibly can to hold Governor Cuomo to his 'no new taxes' pledge to New Yorkers. We were hopeful that he'd take this early opportunity to back up the words with the actions. Higher taxes like this one are tough on consumers and make it harder and harder for New York's businesses, farmers and manufacturers to stay competitive," said O'Mara, who's serving on the Senate's budget subcommittee on economic development and taxes. "So we've got work to do over the next several weeks to convince the governor and Assembly that this staggering tax was a bad idea four years ago and the worst thing we could do is to make New Yorkers keep paying it for another five years. It's already taken billions of dollars out of the state economy."

O'Mara and his colleagues were joined recently by statewide business leaders, farmers and consumer advocates to urge Cuomo, as part of the 30-day amendment period when the governor can unilaterally make changes to his proposed 2013-14 state budget, to remove his proposal for a five-year extension of a nearly 600-percent hike in the Temporary State Energy and Utility Service Conservation Assessment, commonly known as the 18-a assessment.

Cuomo released his 30-day budget amendments in Albany last night and did not remove the proposed utility tax extension.

New York consumers, businesses, farmers, school districts, not-for-profits and others have paid the higher assessment on their utility bills since 2009. The increase, from 0.33 percent to two-percent, was first imposed when both houses of the Legislature were under Democratic control and signed into law by then-Governor David Paterson, also a Democrat. Every

Senate Republican voted against it.

"I voted against the increased assessment when it was first imposed on businesses and consumers four years ago. It was a bad move then, it's worse now when New Yorkers find it even harder to make ends meet and the monthly utility bill continues to be sky high," said O'Mara.

The higher assessment is scheduled to be rolled back to one percent and fully phased out in 2014. O'Mara said that the 2009 tax hike has already taken \$1.2 billion out of the economy and if Cuomo's current proposal becomes law, it will mean another nearly \$3-billion economic hit over the next several years.

Senate Republicans are being joined by The Business Council of New York State, The National Federation of Independent Businesses (NFIB), The Manufacturers Association of Central New York (MACNY), New York Farm Bureau and the American Association of Retired Persons (AARP/NY) in opposition to Cuomo's proposed extension. Other businesses groups, including Unshackle Upstate, also support the Senate's call to end the utility tax surcharge as scheduled.

Karyn Burns, Vice President for Communications & Government Relations of MACNY, The Manufacturers Association of Central New York, said, "As we began our path together in achieving fiscal stability here in New York State three years ago, Governor Cuomo remained committed to not raising taxes on businesses and residents, and in turn the State's manufacturing and business community worked to keep business going, their doors open, products manufactured and job retained and added. An extension of the 18-a tax would be a huge step back for these hard working businesses. To continue this tax will most certainly compromise the business community's ability to do everything they need to on this continued path towards economic recovery."

New York Farm Bureau Public Policy Director Julie Suarez 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: “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.”

[\[watch Senator O'Mara's recent comments on the proposed tax extension\]](#)