



NEW YORK STATE SENATOR

James L. Seward

Full-Fledged Tax Reform Needed

JAMES L. SEWARD November 19, 2013

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ALBANY, 11/19/13 - New York State Senate Republicans today issued a comprehensive report on state taxes that calls for personal income taxes, business taxes, estate taxes and local property taxes to be reformed, simplified and reduced. The report makes sweeping recommendations for reducing the tax burden on all New Yorkers. The plan recommends enacting a permanent two-percent state spending cap and dedicating surplus revenues to tax reductions.

"A number of steps have been taken in recent years to improve our state's economy and boost job growth potential," said Senator Seward. "The ultimate solution though is the simplest - cut taxes across the board. This plan accomplishes that directive and will put more money in every paycheck, make our businesses more competitive, and lead to more private sector jobs."

The report was developed based on testimony at a series of statewide public hearings conducted by Senator John A. DeFrancisco, Chairman of the Senate Finance Committee, and Senator Carl L. Marcellino, Chairman of the Committee on Investigations and Government Operations. The report will be shared with the tax reform commissions established by Governor Cuomo for their review.

"Enacting this tax reform plan will be a top priority in 2014. The plan's recommendations will truly revitalize our economy and help usher in a brighter future for families, individuals, and businesses across the entire state," Seward added.

Highlights of the recommendations made in the preliminary senate report include:

- Enact a permanent two-percent cap on state spending growth and dedicate every dollar of surplus savings to tax reduction;
- Create an optional simple personal income tax calculation;
- Make inflation adjustments for income brackets permanent so a taxpayer's tax burden is not increased simply due to normal wage growth;
- Eliminate unfair tax treatment by making all retirement income tax-free to encourage seniors to stay in New York;
- Dramatically reform and reduce property taxes to provide relief for hardworking families;
- Accelerate reductions in the 18-a utility tax surcharge to two years, fully eliminating the surcharge in SFY 2016-17;

- Reform New York's onerous Estate Tax to protect family farms and small businesses and eliminate the incentive to transfer wealth to other states;
- Reduce corporate tax rates with the goal of elimination;
- Eliminate the corporate tax on manufacturers.

Over the past two months of public hearings, the committees heard testimony, received written communications and met with New York's business leaders and stakeholders across the state. There were consistent themes that emerged from job creators: the need for broad-based tax reductions in corporate and personal income taxes, with the inclusion of some of the more important tax credits, and the need for simplicity in the tax code.

The report outlines some of the joint committee's initial findings and outlines a plan that will make it easier for businesses, residents and retirees to stay and thrive in this state.

It will be used to help guide the Senate Republican Conference's efforts as the 2014 legislative session and the 2014-15 state budget process gets underway.