



NEW YORK STATE SENATOR

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Utility Tax Another Burden on New York State Residents

JOHN A. DEFRANCISCO August 17, 2009

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All across the state, New Yorkers have just received an unwelcome notice in their monthly utility bills, regarding a new State Assessment Fee. The notice cited a new law that took effect on July 1, 2009, requiring utility companies to collect a special fee from all customers.

As your State Senator, I strongly opposed this fee, which is one of more than one hundred new taxes and fees being used to cover the shortfall created by a State Budget that increased spending by a record \$13 billion this year. New York's residents and businesses can not afford another fee. As if our gas and electric bills are not bad enough, the situation was just made worse.

Earlier this year, as part of the Deficit Reduction Plan to adjust a revenue shortfall for the 2008-09 budget due to decreased State receipts, the new Senate Majority voted to sweep approximately \$500M from the New York Power Authority. At that time, Senate Republicans expressed concern that an increase in utility rates might later be sought to replace those funds. Subsequently, when a rate proposal was in fact sought, my Republican colleagues and I were successful in thwarting that increase.

However, despite that outcry from both Republican Senators and their constituents, the Senate Democrats would not take no for an answer and instead included a new utility fee in

the 2009-10 adopted budget.

That is why during the budget negotiations, I supported an amendment that would have removed the onerous new fees on natural gas and utilities. Unfortunately, this amendment was defeated by the majority Senate Democrats.

The two percent fee will affect both residents and businesses. It could cost residents up to an additional \$200 a year and could cost businesses thousands of dollars each year. The fee will be sent directly to New York State and put into the State's general fund.

During these tough economic times, this utility fee is the last thing our Upstate residents and businesses need. I am extremely disappointed that we are being hit with this fee, and that our State continues to try to balance the budget on the backs of our hard-working residents and business owners.

In response to the outrageous tax increase on energy, I have asked Governor Paterson and Senate President Malcolm Smith to repeal this fee, and I will continue to fight for a repeal of all of the new taxes and fees.