



NEW YORK STATE SENATOR

Catharine Young

Senate Advances Budget Plan to Make New York More Affordable, Improve People's Quality of Life

CATHARINE YOUNG March 15, 2017

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ALBANY – A state spending plan that grows jobs, saves hardworking New Yorkers millions of dollars in taxes, provides record support for students, includes the largest new investment in state history for the state's water supply, and offers significant assistance to repair and upgrade local infrastructure was passed today by the Senate.

Senator Catharine Young (R,C,I- 57th District), Chair of the Senate Finance Committee, and her colleagues have advanced a one-house budget resolution that moves New York on a path to lower taxes, more economic prosperity and a seventh consecutive on-time, fiscally responsible state budget.

“New Yorkers need us to enact a budget that grows jobs and the economy, reduces the tax burden, and improves people's quality of life. The Senate's proposal would do just that, making it easier for families to live and work here, and for businesses to create jobs. Our budget plan is a roadmap to economic growth for our region, and all of New York State,” said Senator Young.

Since returning to the majority in 2011, Senate Republicans have championed tax cuts that have saved New Yorkers \$11 billion. This long-standing commitment continues this year, as

the Senate's plan rejects over \$800 million in new tax-and-fee increases advanced in Governor Cuomo's Executive Budget proposal.

The Senate's budget proposal advances several measures to protect the significant savings provided by the School Tax Relief program. This plan includes reversing changes made last year to the STAR Personal Income Tax Credit Program from reimbursements back to an up-front exemption effective for the 2018–19 school year. The Senate also proposes addressing the significant delays of STAR payments from the state to taxpayers by requiring the state to postmark all advance payment STAR checks by September 15, requiring the state to pay interest if checks are mailed late, and reimbursing taxpayers for penalties or interest due to late school tax bill payments. This measure is consistent with legislation that was introduced this year by Senator Young in response to issues confronted by local property taxpayers.

"We believe in cutting taxes, not raising them, and those principles have been reflected in our fiscally responsible budget plan. The Senate Republicans created the original STAR school property tax program, Enhanced STAR for seniors, the STAR rebate checks, and after hearing from constituents regarding recent failures with the program by the Department of Taxation and Finance, we have taken action to correct the system and make sure these problems are addressed going forward," said Senator Young.

The one-house budget proposal also includes billions of dollars for critical infrastructure projects, most notably for the state's aging water and sewer systems. The Senate's recommendation would be the largest new investment in state history – nearly \$8 billion – to protect and enhance the state's water supply. Senate Republicans' proposal also includes a regionally balanced \$5 billion Clean Water Bond Act that would ensure every community gets the help they need, without putting additional pressure on local taxpayers.

To help grow jobs and the economy, the Senate advances an agenda that provides meaningful tax relief for employers. The Senate proposes making small businesses with less than \$350,000 in net business income and less than 20 employees eligible to receive the STAR benefit on their primary business property, saving \$370 million when fully phased in. The Senate's resolution also includes an expansion of the existing Personal Income Tax (PIT) exemption for small businesses and small farms, and reduces the Corporate Franchise Tax business income tax rate from 6.5 percent to 2.5 percent over a two-year period, saving a total of \$466 million. Finally, the Manufacturer's Real Property Tax Credit is increased from 20 percent to 50 percent of any annual property taxes paid during the year for property owned or leased by the manufacturer and used during for manufacturing, saving businesses \$150 million.

The Senate's proposal works to grow the economy by expanding ride-sharing companies' ability to operate outside of New York City, enabling new jobs to be created and offering additional safe, reliable transportation options to our communities.

It incorporates recommendations from the Senate's Task Force on Workforce Development, on which Senator Young serves. These recommendations work to improve employee readiness, better meet the needs of employers, and connecting job seekers with potential employers or retrain those who have lost jobs. The budget plan helps implement those goals by including \$4 million for the Workforce Development Institute (WDI) and \$3 million for the WDI Manufacturing Initiative, among other initiatives.

Record support for the state's public education system is another hallmark of the Senate's plan. For the state's public schools, the Senate's budget includes a five percent increase in school aid funding over last year, for a total of \$1.2 billion, bringing the total investment in schools to a record level of \$25.4 billion. The Senate's plan also doubles the Governor's Foundation Aid proposal with \$478 million in additional funding, for a total increase of more

than \$906 million since 2016-17.

“Under the Senate’s plan, schools in my district would greatly benefit, ensuring access to high-quality, first class educational learning experiences. Education is the great equalizer, and this proposal makes sure all students have an opportunity to succeed,” Senator Young said.

The Senate’s one-house budget also includes a new proposal so that more college students can receive assistance, balancing the costs of higher education with the goals of students. An Enhanced TAP Program would be established, to help students in public and independent schools, by increasing the minimum TAP award from \$500 to \$3,000 and the maximum to \$5,500. Income thresholds would also be increased to \$100,000 in 2017-18; \$110,000 in 2018-19; and \$125,000 in 2019-20. To be eligible for E-TAP, students would need a 3.0 GPA by the start of their junior year and would have to take 30 credits over each academic year.

The Senate also rejects the Governor’s tuition-free education proposal for SUNY and CUNY, a program that would decimate the state’s private higher-education institutions and impose a tremendous financial burden on taxpayers. Another significant measure that the Senate rejected in its one-house budget resolution was the Governor’s plan to provide \$27 million in scholarships and other tuition assistance benefits, to illegal immigrants. The Governor’s proposal would have resulted in free college tuition being provided to illegal immigrants using taxpayers hard-earned tax dollars.

The budget plan also provides assistance for local governments, thus easing the burden on local property taxpayers. The Senate’s budget plan, drawing from legislation authored by Senator Young, includes \$1.6 million to assist counties with the costs related to the increase in salaries for local district attorneys. Senate Republicans also provide an additional \$75 million for the Consolidated Local Street and Highway Program (CHIPS), which helps local

highway departments, bringing the yearly state aid to a record \$513 million; and \$50 million is added for the Local BRIDGE NY program, including \$20 million specifically designated to assist municipalities with work on culverts.

Seniors also received strong attention under the Senate Republicans' plan. A transportation demonstration program would be established, with the goal of enabling seniors to remain independent, mobile and in their communities. The Senate's plan also requires the State Office for the Aging to establish a Statewide Central Register of Elder Abuse and Maltreatment Report, and a multidisciplinary investigative team would be established to investigate reports of suspected elder abuse or maltreatment.

Finally, New York's hundreds of thousands of veterans will also see support under the Senate's budget proposal. Cornell's Veterans-to-Farms program receives \$115,000 in funding. The highly successful Joseph P. Dwyer Veteran Peer-to-Peer Program, which assists veterans struggling with traumatic brain injuries (TBIs) and PTSD, is funded at \$3.2 million.

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