



NEW YORK STATE SENATOR

Thomas F. O'Mara

State Senate and Assembly Republicans hold listening session in Corning on proposed gas tax

THOMAS F. O'MARA November 15, 2021

| ISSUE: **GAS TAXES**



The ongoing implementation of these regressive taxes would leave lower- and middle-income families and workers, motorists, truckers, manufacturers and industries and seniors among the hardest hit.

Corning, N.Y., November 15— Members of the Senate and Assembly Republican conferences today held a listening session with stakeholders across various industries to discuss the

potential impacts of the Climate and Community Investment Act (CCIA), a proposal being advanced by Albany Democrats that could increase the cost of gas by as much as 55 cents per gallon and increase home heating costs by more than 25 percent. Today's event was the fourth listening session held by Republicans, following other forums in Albany, Buffalo, and Long Island.

The legislation(S.4264/A.6967) would impose a carbon tax of \$55 per ton of fossil fuel emissions in order to reach renewable energy mandates under the Climate Leadership and Community Protection Act (CLCP), passed by the Legislature in 2019.

The session was led by Senator Tom O'Mara (R,C,I-Big Flats) and Assemblyman Phil Palmesano (R,C,I-Corning). Discussions revolved around the potential impacts on small businesses, farms and various sectors of the energy industry. The session provided an opportunity for lawmakers to listen to testimony directly from stakeholders from across those industries. Participants included the Corning Area Chamber of Commerce, Rochester Technology and Manufacturing Association, Independent Power Producers of New York, National Fuel, and New York Propane Gas Association.

O'Mara said, "New Yorkers already pay one of America's highest gas taxes and home heating costs are expected to skyrocket this winter. New York's out-of-control Democrat supermajorities enacted a state budget this year raising taxes by nearly \$5 billion and they'll just keep looking for more. It will be an unending search for more tax dollars to afford more spending and every taxpayer will pay the price at the pump, to heat homes and in a lot of other places. The ink on the new state budget was barely dry and the Democrats were already eyeing their next tax-hike opportunities, including a potential 55 cents per gallon gas tax to help generate revenue to implement an unsustainable, impractical climate change agenda. The ongoing implementation of these regressive taxes would leave lower- and middle-income families and workers, motorists, truckers, manufacturers and industries and

seniors among the hardest hit.”

Palmesano said, “The CCIA clearly demonstrates two things. One, that the Senate and Assembly Majorities are clearly trying to get out in front of the job the Climate Action Council (CAC) is tasked with doing relative to their scoping plans for implementing the CLCPA and two, that they are completely out of touch with the financial needs and concerns facing families and businesses in our state. Our CCIA roundtables will continue our efforts to highlight these issues so we can make clear to the public the wide-ranging financial impacts implementing the CLCPA will have on every sector of our state’s economy and the critical need for the state to conduct a full, transparent and honest cost benefit analysis of the CLCPA. Given that NY contributes just 0.5 percent of the total carbon emissions globally and 3.3 percent in the U.S., the public clearly deserves to know what the financial impact of implementing these policies will have upon them. While I agree clean and renewable energy needs to be a part of our energy portfolio and strategy, it is equally important, however, that our energy portfolio and strategy address affordability and reliability for families and businesses and the CCIA, and likewise the CLCPA, clearly fails to address these vital areas.”

Other legislators participating in today’s forum were: Senator George Borrello (R,C,IP,LIBT-57th District), Assembly Joseph Angelino (R,C,I-Norwich), Assemblywoman Marjorie Byrnes (R,C-Caledonia), Assemblyman Chris Friend (R,C,I-Big Flats), and Assemblyman Robert Smullen (R,C,I,SAM-Johnstown).

Borrello said, “Inflation coupled with rising gas and home heating costs is placing extraordinary financial pressures on already-overburdened New York families. While what we need are solutions to help ease these budget-breaking costs, what we are getting from the Legislature’s majorities is a proposal that would only exacerbate the financial pain. New Yorkers, particularly rural residents without access to public transit, would be devastated by the staggering 55-cent per gallon increase in gas that would result if the CCIA were enacted.

Energy taxes like this harm New York's working families the most and have a domino effect, increasing costs for virtually everything, including essentials like groceries. The insights we heard from industry leaders today only confirmed the harm this proposal would cause for our residents, businesses and economy. Instead of recklessly pushing an activist agenda, I urge my colleagues on the other side of this issue to consider the common-sense perspectives we heard today and work with us to reduce, not raise, energy costs for New Yorkers."

Angelino, a member of the Assembly Committee on Tourism, said, "The proposed climate bill from Assembly progressive Democrats is unrealistic and puts too much pressure on our state's small job creators and those in manufacturing and agriculture. Our economy is trying to shake off the setbacks from the past two years, and with drastic price increases seen around the nation, we cannot add yet another job-threatening policy on top of that. The rest of the state has been paying the price for progressive policies that make little sense for average upstate New Yorkers outside of New York City."

Byrnes said, "As a representative from a rural district, I'm eager to protect and preserve New York's beautiful environment. Nevertheless, now is not the time to push new taxes onto hard-working New Yorkers. Gasoline has soared to near record highs, home heating costs are surging more than 50 percent and the cost of living is only going up. We have to consider the impacts these costly proposals will have on New Yorkers. These proposals need to go back to the drawing board with our residents in mind."

Friend, ranking Republican member of the Assembly Committee on Economic Development, said, "The State Democrats' climate bill will hurt New York's recovering economy, which is just getting its footing after the pandemic shutdown. Making matters all the more difficult are President Biden's policies, which are causing our economy to nosedive with rapidly rising inflation and broken supply chains. New York is already one of the most climate-friendly states in the nation. This is yet another reckless policy."

Smullen said, “As ranking member for the Committee on Environmental Conservation, I’m always eager to see what ways we as a state can continue to improve and protect our state’s natural beauty. The CCIA, unfortunately, is not the realistic solution. Its proposals reflect a reality we don’t live in, and seek to do serious damage across our state’s economy, an economy already having trouble competing across the nation, and indeed the world. This proposal needs to hit the drawing board again, with a more reasonable scale and timeframe in mind, before we can consider supporting such an initiative.”

According to the Tax Foundation, New York currently has the 7th highest gas tax in the country, at 43.12 cents per gallon, with California currently the highest at 62.47 cents per gallon. This legislation would raise New York’s tax to 98.12 cents per gallon, an increase of more than 127 percent, and would make New York’s gas tax more than 57 percent higher than any other state. New York State has repeatedly been named as one of the worst business tax climates in the nation by the Tax Foundation.