

Testimony of Janet Chaize and Jane Ballard on Behalf of **Elders and Allies to Free the People – Rochester** (E&A FTP ROC) - a group formed in response to the deaths of Daniel Prude and George Floyd at the hands of police. The mission of E&A FTP ROC is to confront racism wherever it exists in our community.

Submitted to NY Senate Finance & Assembly Ways and Means Committee Chairs for February 27, 2025 Joint Legislative Hearing on the Revenue Budget

Dear Senate Finance Chair Krueger, Assembly Ways & Means Chair Pretlow and members of the New York State Legislature:

We write to convey our support of the suite of legislation proposed by the Invest in Our New York political action group. The proposal seeks to secure adequate funding for critical needs primarily by recommending overdue changes in the NYS tax code. It is understood that \$\$\$ alone will not solve the serious problems that confront our state but a sufficient budget is required to serve as a bedrock upon which these problems can be addressed.

NY state has a Fiduciary responsibility to collect and spend tax dollars wisely and justly

- Now the onus on the state is all the heavier with the likelihood that the Trump administration is going to cut federal funding to social services of every ilk in order to lower taxes for the very wealthy. This is no time for an austerity budget! The statistics are appalling.
- While the very rich have seen their fortunes soar 74% since the Trump tax cuts of 2017, there are 2.78 million New Yorkers who live in poverty. Homelessness doubled in 2 years! Child care is difficult to find because the workers are not making a living wage like so many others in the service sector.

Poverty in Rochester and Other NY Cities:

- According to the New York State Comptroller in a report on child poverty, Rochester was ranked 5th in highest poverty rankings among cities of similar size in the U.S. Statistics showed between 40% to 46% of children in Syracuse, Rochester, and Buffalo were living in poverty in 2022 – double the rate of U.S. cities similar in population size.
- Poverty = homelessness, lack of nutrition, children not getting to school, increased attraction to gangs and crime, a continual vicious cycle.

Housing Costs Increase

- The cost of housing in Rochester has gone up exponentially since the Covid pandemic. One can rarely find even a one bedroom apartment for under \$1000/month. If someone is receiving public assistance, the rent allotment for a family of 3 is \$343/month. So where can people live?
- Our NY State comptroller wrote “To help address this issue, the State Budget for State Fiscal Year 2024-25 included measures that use Federal funds,” **which are now being cut or likely to be cut**

Lawmakers can address the affordability crisis by making the super-rich pay their fair share and investing in working-class communities and the programs we all rely on. Rising costs, including

housing unaffordability, are forcing low- and middle-income New Yorkers to leave the state. This is contributing to a decline in the state's population.

Elders and Allies of Free the People ROC supports the:

[Invest in Our New York package](#) which, if passed, would raise tens of billions of dollars through a combination of personal income tax increases on the top 5% of earners, corporate tax reforms targeting the most profitable corporations (fewer than the top 1%), and addressing loopholes that allow millionaires and billionaires to shield their wealth from their tax liability. The Invest in Our New York package includes the following proposals:

- The Progressive Income Tax Bill ([S1622-Jackson/A1281-Meeks](#)) would raise over \$21 billion annually by creating new brackets to the state's personal income tax structure. The bill would raise taxes on individuals earning over \$450,000 a year as single filers and \$500,000 as joint filers and would only impact our state's top 5% of income earners.
- The Capital Gains Bill ([S1439-Rivera/A676-Kim](#)) would raise over \$12 billion annually by creating a surcharge tax on income generated by buying and selling stocks. The tax would only apply to people who earn over \$400,000 as single filers and \$500,000 as joint filers. Currently, people who earn their income through buying and selling stocks have a federal tax benefit of up to 17%, meaning they pay far less in taxes than those who earn their income through hourly wages or other ordinary income. This bill would only raise taxes on less than 1% of New Yorkers. Washington State and Minnesota have successfully passed and implemented capital gains taxes in the last few years.
- Corporate Tax Reforms ([S953-Hoylman/A1971-Kelles, Shrestha](#)) would raise over \$7 billion annually by raising the corporate tax rates on corporations that make over \$2.5 million in profits in New York and creating additional progressive brackets for corporations earning over \$10 million in profit annually, and \$20 million in profit annually. These corporate tax reforms would apply to every corporation that does business in New York - not just those headquartered in the state. The changes in the bill would not kick in until corporate profits exceed \$2.5 million and not impact small businesses. Eighty percent of corporations in New York make less than \$15,000 in profits annually and pay less than \$1,000 in corporate taxes every year. As of 2020, fewer than 0.14% of corporations reached \$1 million in profits. We can raise taxes on the wealthiest corporations and remain competitive: New York currently has the 2nd lowest tax rate amongst the 12th northeastern states, and our current corporate tax rates are lower than they were in 1990.
- The Heirs Tax ([S914-Brisport/A2049-Solages](#)) would raise \$4 billion annually by replacing New York's existing estate tax by creating a tax that treats inherited income over \$250,000 as taxable income. The creation of this tax would impact less than 1% of inheritances - and those above \$250,000 would only be taxed at a low rate of 2.5%. The rate would increase for inheritances over \$1,000,000, which already wealthy individuals almost entirely receive.
- The Billionaires Tax ([S165-Ramos/A3632-Kelles](#)) would raise over \$33.3 billion in its first year and \$1.7 billion annually thereafter by creating a tax that targets the rising value of stocks and investment portfolios. This proposal creates a yearly tax on assets that have accumulated value, requiring billionaires to pay income tax rates on their investment gains. New York already has a system for assessing and taxing the increased value of items in the form of a property tax.

IONY has a creative and common sense solution that will change the economic inequity and save and fund vital services and programs. We implore you to study and enact IONY's

proposed 5 bills, increasing taxes on the wealthiest individuals and most profitable corporations, so that all New Yorkers might have a better life.

We count on you to decrease poverty and racial inequity in New York State!