

Testimony of the  
Securities Industry Financial Markets Association Presented to:  
Joint Legislative Budget Hearing on Taxes  
Monday, February 10, 2014  
9:30 a.m.  
Legislative Office Building  
Albany New York

Good morning Members of the Committee, my name is Nancy Lancia, Managing Director, State Government Affairs for the Securities Industry and Financial Markets Association (SIFMA). Thank you for the opportunity to comment on S. 6359/A. 8559. SIFMA<sup>1</sup> supports the proposed corporate tax reforms and reduction in the corporate tax rate included in S. 6359/A. 8559. SIFMA brings together the shared interests of hundreds of securities firms, banks and asset managers; companies engaged in communities across the country and New York in particular, to raise capital for businesses, promote job creation and lead economic growth.

SIFMA has long advocated for tax modernization – updating the rules to accommodate technological advances, market changes, and passage of two major federal laws: Gramm-Leach-Bliley and Dodd-Frank. We are encouraged to see within the Executive Budget the long-sought-after merger of the Bank Tax (Article 32) into the Corporate Franchise Tax (Article 9-A) along with customer sourcing rules and many other provisions that would modernize New York’s corporate tax code and were recommended by both the Tax Reform and Fairness and the Tax Relief Commissions.

We are also pleased that the S. 6359/A. 8559 proposes to eliminate the Stock Transfer Tax. This redundant and unnecessary “tax” is not currently generating any revenue for New York State as it is instantly rebated to taxpayers – therefore elimination will not result in any revenue reduction for the State, but will result in a decrease in the administrative burden for both taxpayers and the Department.

As a final and important point, SIFMA strongly supports the proposed reduction in the corporate tax rate from the current 7.1 percent to 6.5 percent. The tax rate reduction is a welcome and positive step in reducing the “tax effort” required of New York’s businesses, which continues to

---

<sup>1</sup> The Securities Industry and Financial Markets Association (SIFMA) brings together the shared interests of hundreds of securities firms, banks and asset managers. SIFMA's mission is to support a strong financial industry, investor opportunity, capital formation, job creation and economic growth, while building trust and confidence in the financial markets. SIFMA has offices in New York and in Washington, D.C. For more information, visit <http://www.sifma.org>.

be one of the highest in the nation and which, among other factors, contributes to more intense competition from other financial hubs, both nationwide and globally.

We strongly support these changes and urge you to adopt them in the final budget. We look forward to working together with the Governor and Legislature on this important endeavor.