NYS Joint Legislative Public Hearing on 2022 Executive Budget Proposal: Taxes

Testimony submitted by:
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Within the FY2023 New York State Budget, we are encouraged to find legislation and new revenue streams related to tax proposals that will have a significant impact on municipal budgets across the state and in particular, here in Suffolk County.

The Suffolk County workforce represented by the Suffolk Association of Municipal Employees (Suffolk AME) includes over 900 different titles and 6,000+ active members. In order to successfully implement programs intended to protect Suffolk County residents, some of which are the most vulnerable populations, our members rely on funding from New York State and the support of our elected representatives at the state level.

For the purpose of testimony for the joint public hearing on Taxes, we would like to address the following topics and how these proposals will impact the Suffolk County Workforce:

- Aid and Incentives to Municipalities
- Permanent Local Sales Tax Rate authorizations
- Cannabis Sales Tax

Aid and Incentives to Municipalities:

In a recent report by State Comptroller DiNapoli, he outlines the need to make adjustments to the Aid and Incentives to Municipalities program (AIM) to address inflation and the commitmen the state must make to local governments.

We agree whole-heartedly that the state should continue to discuss this critical funding, which will provide municipalities with unrestricted aid as an investment in those communities across New York State. The work that is done every day by municipal employees, especially over the last two years, proves their worth in making New York a better place to live and work.
We encourage all members of the State Legislature and the Governor to come together with local government and find a common ground to enhance AIM programs. Doing so will not only provide a necessary boost to local economies, but it will also help municipalities provide greater services to the citizens of New York State. We hope that this program can be addressed in the 2023 budget.

In previously presented testimony to the Joint Committee on Local Government, we expressed our support of the following tax related initiatives and would like to share that support with the Joint Committee on Taxes as well.

**Permanent Local Sales Tax Rate Authorizations:**
Local Sales Tax has a significant impact on the county’s bottom line, therefore any increase or decrease to the allowable rate can have a rippling effect not only on the services our workforce provides, but on our ability to provide a living wage, benefits and appropriate staffing levels. Based on the 2022 Suffolk County Budget, 38% ($1.8B) of the county’s budget comes from Sales Tax revenue. The ability to address sales tax authority locally through majority vote of the county’s legislature would allow us the flexibility based on the needs of the region. We support this initiative within the budget and encourage its passage to assist local municipalities and address local sales tax rates.

**Cannabis Sales Tax:**
As the state finalizes details related to the legalization of recreational cannabis, we are encouraged to see that a portion of sales tax will be directed to the county and town governments. Of course any additional revenue streams that the county can procure will help to benefit our workforce.

We would like to note that a significant portion of the work related to the legalization of recreational cannabis including its regulation, enforcement and program implementation as well as potentially adverse effects connected to treatment and social services are all expenses incurred by the county. Consideration of a larger percentage of tax going to the county would help offset these expenses and support the municipal workforce.

Suffolk AME would like to thank Governor Hochul, Senate Leader Stewart-Cousins, Assembly Speaker Heastie, and all members of the Joint Committee on Taxes for their work on the 2023 budget. The programs outlined within the budget will continue to provide extensive financial support to the County and the County’s municipal workforce, which we are proud to represent.