



Press Release

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Campaign Launches TV Ads Focused on Closing Corporate Tax Loopholes and Asking Wall Street to Help Bail Out Main Street

Advocates Join with Legislators to Urge "Better Choices" To Balance the State Budget

(Albany, N.Y.) The Better Choice Budget Campaign announced the start of a statewide TV ad campaign today that will call upon Albany to close corporate tax loopholes and ask Wall Street to help contribute in solving New York's budget crisis. Ads will run in major markets across the state including, but not limited to, New York City, Westchester, Long Island, Albany, Buffalo, Rochester, Syracuse, and Watertown.

Members of the Better Choice Budget Campaign (a diverse coalition of statewide and local labor, faith, human service, environmental and other organizations), were joined by Assemblymembers James Brennan, Deborah Glick and Barbara Lifton and Senators Neil Breslin and Liz Krueger, to call for numerous revenue and cost saving alternatives that will not further erode jobs and desperately needed services in our state. The groups have proposed an extensive list of revenue raising/cost savings options that include **closing corporate tax loopholes**, the sugary sweetened beverage tax, another high income bracket on the income tax and asking **Wall Street to help bail out Main Street to name a few**. The Coalition is providing a menu of revenue raising and cost savings options that they believe the Legislature should explore before further cutting essential state services.

Members of the coalition supported the ad campaign because they feel that the legislature is not fully understanding the harm that the proposed cuts will wreak on the state.

There are two very real ways in which the Coalition wants the Legislature to close the budget gap in a balanced fashion. First, they urge the Legislature to close a myriad of corporate tax loopholes that allow large multinational corporations to avoid state taxation.

Assemblymember Jim Brennan has proposed a number of ways to reign in corporate excess that the Coalition supports. "The need for additional revenue is clear given the kind of budget cuts we are faced with, to protect basic services for New Yorkers. Business taxes on profits have been cut substantially over the past twenty years; it is not unjust to ask business to pay a little more to assure that all New Yorkers receive essential public services," stated **Assemblymember Jim Brennan**

Assemblymember Barbara Lifton stated, "When state government makes severe cuts to schools and hospitals and nursing homes, rather than do a partial repeal of the huge tax breaks that the wealthiest New Yorkers received in the late 80's – a 50% tax cut for the wealthiest 4% of New Yorkers – two very bad things happen: One, the recession in New York worsens as many thousands of middle class workers are laid off and they no longer have much money to spend in the economy, causing our economy to contract further. Two: middle-income New Yorkers often end up paying higher property taxes as counties, cities and schools have to resort to raising those more onerous local taxes to try to provide decent and necessary programs and services for our children and communities. Neither of these consequences move our state forward; they move us backwards in every way."

The Coalition also wants Wall Street to share in the burden. Wall Street profits in 2009 will be at a record \$61 billion, nearly three times the previous record that was posted in 2006. Wall Street bonuses are also at near record levels (\$20 billion in cash and a huge amount in stock options). This segment of the economy in New York has bounced back and is appearing to be quite healthy, due in large part to the tax-payer bailouts they received last year.

“Main Street is suffering and could use a returned helping hand from Wall Street,” **stated Ron Deutsch, Executive Director of New Yorkers for Fiscal Fairness.** “It was not long ago that Main Street bailed out Wall Street—delivering a miraculous recovery that includes record profits and large bonuses. Wall Street has a vested interest in a healthy New York State economy and a temporary tax on their record profits or overly generous bonuses would not be too much to ask. In fact, it is one of the only things that actually makes sense right now.”

“A failure on the part of state policymakers to invest in the state’s future will exact a heavy price in terms of the state’s human and physical infrastructure. Instead, policymakers should reestablish a fair, adequate and economically sensible tax system. The most important steps in this direction would be for New York to reform its personal and corporate income tax structures. In regard to the personal income tax, New York should consider approaches that will ensure that the wealthiest New Yorkers pay their fair share in state and local taxes, and which will allow the state to reduce the pressure that it is currently placing on local property and sales tax bases,” **stated Frank Mauro, executive director of the Fiscal Policy Institute.**

Nikki Jones, Alliance for Quality Education, Communications Coordinator stated that, “It is more important than ever that we are sincerely aware of what these historic cuts to schools will mean for our children, our communities and the future of New York State. Allowing Wall Street up to \$10 billion in ‘passes’ while robbing students of their education and their opportunity to build a solid foundation should not be an option on any table.”

“Sweeping Medicaid cuts would result in immediate impact to consumers because the community-based, safety-net providers people need to keep them healthy would be devastated. We understand the magnitude of this fiscal crisis, but balancing the budget by threatening the health, safety and dignity of low-income New Yorkers is not the answer,” **said Lara Kassel, Medicaid Matters**

“As of today, civil legal services providers in the Legal Services Funding Alliance remain suspended in time – poised to potentially sustain state and IOLA funding cuts to anywhere from 15% to 75% of their organizational budgets if state funding is not restored – many providers are poised to act - in the absence of a budget - forced to exact devastating job loss in upstate communities, eliminate critical and cost effective services, and close neighborhood offices. We are calling on the Governor to join with Legislative leaders immediately to craft and pass a budget that takes advantage of revenue raising opportunities to offset cuts to essential programs like civil legal services that are a last line of defense for struggling New Yorkers,” **stated Kristin Brown Lilley, Director of Legislative Advocacy at Empire Justice Center.**

“As we face the reality of record homelessness in New York, slashing state support for shelters and housing is simply not a realistic option - we must face the equally real fact that a balanced budget requires new and recurring revenues,” **stated Shelly Nortz Deputy Executive Director for Policy, Coalition for the Homeless.**

"In this crushing recession, families’ needs are rising and the resources to meet them are falling," **said Jess Wisneski of Citizen Action of New York.** "The Legislature should respond by passing a budget that makes Main Street their top priority: a budget that grows the economy by investing in working families, schools and communities across the state, rather than a budget with cuts in education, health care and human services that will worsen unemployment and further destroy the safety net."

"The current versions of the state budget involve over a quarter billion dollars (\$261m) of federal stimulus money being used for balancing the state's books rather than giving jobs to those hit hardest by the recession. With 845,000 New Yorkers out of work and 30% unemployment rates among the lowest tier of income earners, we are in a jobs emergency. If any or all of the stimulus money is retrieved for its rightful purpose of creating jobs to address this emergency, we will need hundreds of millions in new revenue. After receiving trillions in taxpayer and federal reserve bailout infusions, it is time for Wall Street to bail out Main Street. Wall Street caused much of the economic downturn and job losses, now

that profits and bonuses have returned in force to the financial sector, Wall Street needs to become a responsible part of the solution--New York State needs money for jobs!," said **Andreas Kriefall, upstate director of the Hunger Action Network of NYS.**

"Governor Paterson's budget proposal for 2010-11 slashed environmental funding to the bone with cuts disproportionate to those at any other state program or agency. The Governor cut the Department of Environmental Conservation and the Environmental Protection Fund by more than 30 percent and wants to shutter our state parks. The State Legislature has restored some of this funding and we encourage them to go even further in the final budget," said **Alison Jenkins, Fiscal Policy Program Director, Environmental Advocates of New York.** "One easy way to generate revenue to support environmental programs is to put a fee on disposable plastic shopping bags. This would increase state revenue by \$200 million or more while encouraging the use of reusable bags and cutting down on litter."

"While we know with a \$9 billion budget gap we will have to make some cuts, we also need to raise revenues from the wealthiest New Yorkers, the multi-millionaires who usually pay the same tax rate, 6.85%, as a New Yorker making \$40,000 a year. This state did wild and reckless tax breaks for our wealthiest citizens, and the rest of our citizens have been paying the price ever since, with diminished services and burdensome property taxes. It's past time for a roll-back of those tax breaks," continued **Assemblymember Lifton.**

Like other states, New York faces a serious fiscal crisis. In this crushing recession, families' needs are rising and the resources to meet them are falling. The Coalition urged state leaders to respond in ways that grow the economy by investing in working families and communities across the state. Rather than slashing education, health care and the other vital services that New York families depend on, the Governor and the Legislature should make **a better choice: a balanced approach that uses existing resources efficiently and raises additional revenues in ways that will not harm our state's already fragile economy.**