

Tax-free fracking on campus question makes a point

Governor's proposed tax holiday initiative still fuels concerns

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Could Gov. Andrew Cuomo's proposal to let new businesses enjoy a 10-year tax holiday if they locate on State University land mean that someone could start fracking tax free for natural gas on a campus?

One of the opponents of the proposed Tax-Free New York initiative raised that question on Tuesday.

Frank Mauro, of the labor-backed Fiscal Policy Institute, conceded that no one really expects gas wells to pop up near campus quads, even if state's existing fracking ban is lifted.

And Cuomo spokesman Rich Azzopardi dismissed as an absurdity the idea that Tax Free New York would lead to gas wells on campuses.

But Mauro's point underscored the level of suspicion on the left as well as by some on the right, of the Tax-Free New York proposal which would waive all levies including individual income taxes, for new businesses coming to upstate SUNY campuses as well to selected spots downstate.

Opponents say they realize the plan has support among many lawmakers and their leaders. "I'm fearful that this is going to be one of those instances where this is pushed through," said Ron Deutsch of New Yorkers for Fiscal Fairness.

Deutsch, Mauro and others including representatives of the Public Employees Federation, United University Professions which represents SUNY professors, and student groups spoke against the plan.

They objected to the idea of giving tax preference to certain people and businesses, and they said that history has shown such targeted programs have become magnets for abuse.

The Cuomo administration has stressed that the idea is to bring in new businesses that might not otherwise be in New York rather than shift businesses around.

And the legislation, put out by the governor on Tuesday, lists several types of businesses ineligible for the tax break.

They include: retail and wholesale businesses; restaurants; real estate brokers; law firms; medical or dental practices; real estate management companies; hospitality; finance and financial services; businesses providing personal services; and businesses providing business administrative or support services.

Also not allowed are "businesses engaged in the generation or distribution of electricity, the distribution of natural gas or production of steam."

Business support services that employ at least 100 people could be allowed in some cases, prompting Mauro to wonder if favored people or entities were already jockeying for the tax break.

"It seems to be too specific not to be related to a specific business," Mauro said referring to the 100-person requirement.

Azzopardi said the plan is gathering support statewide.