

## Press Release

**For Immediate Release**

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### **Tax Reformers Urge Governor and Legislature to Take the Politics out of the Tax Debate - And Give the Public a Voice!**

(Albany, NY) Statewide Tax Reform Groups and Activists from across New York State gathered at the State Capital today to urge the Governor and the State Senate to “shed a little sunshine” on the tax reform debates that have left many New Yorkers “out in the cold.”

The NYS Senate (Finance Committee) is holding “Invitation Only” hearings across the state to “Review Existing Tax Policy and Discuss Reform Initiatives” and the Governor’s Tax Reform and Fairness Commission continues to meet in private to determine how to make our tax system “fair and equitable” for all New Yorkers. The groups suggested that it is time to open up these tax debates and give the public a chance to weigh in.

The groups complained that the tax policy that has been enacted over the past legislative session in Albany has either been misguided or stinks of political pandering. The groups are referring to the \$350 Family Rebate checks (going out just before election day to families with incomes up to \$300,000 per year – but not to families with incomes below \$40,000 per year), the Minimum Wage Tax Credit (that incentivizes firing older workers to hire younger ones), huge tax breaks for big developers in NYC to build luxury units and of course Start-Up NY (which we were told would not cost anything but now realize will cost at least \$323 million and growing).

The groups instead suggested that the state should closely examine the \$7 billion dollars a year it spends on tax credits and economic development grants to big, politically connected businesses and start focusing on how to help struggling families and small businesses.

“We need to take this debate to the public as they have the most to lose when Albany starts rejiggering the tax code to help its deep pocketed friends and contributors. We need to make sure the public is able to weigh in on how to reform our tax code so our elected officials can no longer practice their “sleight of hand” tax reforms that benefit the wealthy at the expense of struggling working class families and small businesses,” said **Ron Deutsch, Executive Director of New Yorkers for Fiscal Fairness.**

“We can't talk about fixing New York's tax system without talking about the \$7 billion in subsidies given each year to businesses for economic development. There is hardly any coordination or monitoring of this spending. What New Yorkers need is a transparent, accountable and performance-based economic development system that creates jobs for New Yorkers.” **Josh Kellermann, Senior Policy Analyst at ALIGN: The Alliance for a Greater New York.**

"New York has one of the least transparent state governments in the nation. New York leads the nation in economic inequality. These facts are not unrelated," said **Colin Donnaruma of Occupy Albany**. "Time and time again we see that when fiscal policy is made behind closed doors, it is made to benefit those who have access to closed door decision making processes; the elite and well-connected. Opaqueness and inequality reinforce and reproduce one another. It is critical that we address both."

**John Whiteley of the NYS Property Tax Reform Coalition** said, "The State's tax and fiscal policies over recent decades have helped lead to an unprecedented increase in the property tax burden, impacting primarily the middle class. Nowhere is statewide tax reform more important than in the antiquated system we use to fund our schools, with its continued over-dependence on the oppressive property tax. While the property tax "cap" does not cap anyone's school tax bill, what it HAS done is to highlight the need for a fundamental overhaul of the funding system. To save our schools and taxpayers' homes alike, there must be a significant increase in the role played by more equitable, broad-based state taxes. While this cannot be accomplished overnight, the discussion should be going on now as part of the current debate over tax reform, and should include everyone affected -- schools, parents and taxpayers."

**Gioia Shebar, coordinator of TaxNightmare.org** stated, "The imbalance between the rich and the poor is the oldest and the most fatal ailment in any republic." Plutarch said that almost two millennia ago...and word STILL hasn't reached them up here in state government."

"Good public policy, healthy democracy and a strong economy really do go together," said **Michael Kink of the Strong Economy For All Coalition**. "Fair-share tax policies, bang-for-the-buck job creation and better pay for all low-wage workers are really popular with New Yorkers -- there's no reason to duck public input, unless you're trying to pull a fast one."

**Frank Mauro of the Fiscal Policy Institute** expressed his appreciation to the Senate Finance Committee and the Senate Committee on Investigations and Government Operations for having a chance to share his ideas on tax policy with them and told the committees that it is also important for them "to hear from both the public and from academic experts in the relevant fields of study." According to Mauro, who is retiring after 20 years with the Fiscal Policy Institute, "In some cooperative way, the Senate, the Assembly and the Governor should review the overall revenue adequacy and stability of New York State's state-local tax system along with a review of the overall distributional impact of that system on people at different income levels." Before joining FPI, Mauro was Deputy Director of SUNY's Rockefeller Institute and earlier in his career served as Secretary of the State Assembly's Ways and Means Committee.

In his testimony, Mauro told the committees that "It is also important to remember two additional points. First, both sides of government budgets—the revenue side and the expenditure side—have an impact on the economy. We sometimes forget that government provides the basics—education, infrastructure, clean water, etc.—that allow the free market economy to flourish. Second, and very related to the first, the state-local tax system is one system, not two separate and independent systems. In the American system of government, it is the states that determine the division of labor between themselves and their local governments."