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The Federal Budget is an Assault on New York

Nathan Gusdorf July 3, 2025

The US House and Senate just passed a budget that will hurt working New Yorkers in order to maintain tax cuts for the rich

ALBANY, NY | *Fiscal Policy Institute Director Nathan Gusdorf today released the following statement on the federal budget legislation that passed the U.S. House of Representatives this afternoon by a vote of 218-214, with all of New York's Republican representatives voting in favor of the bill:*

"The U.S. Congress just passed a federal budget that will cost the State of New York over $15 billion per year[a], kick 1.5 million New Yorkers off their health insurance, eliminate[b] benefits for up to 1 million food stamp recipients, cause the loss of over 200,000 jobs[c], and threaten nearly half of all hospitals throughout the state[d] with financial collapse – all while increasing the federal deficit by $3.4 trillion over the next ten years.

"These spending cuts will be imposed in order to protect tax cuts for the rich that were set to expire at the end of 2025. In 2017, Congressional Republicans and then-President Donald Trump collaborated to pass a package of tax cuts for the wealthy – tax cuts that were temporary under the special budget reconciliation rules. Now, faced with these expiring tax cuts, New York's own Republican Congressional Representatives decided that extending these tax cuts would be worth the social costs to New Yorkers.

"All of the Republican members of the New York Congressional delegation voted for the budget – by their own account in order to secure an increase in the state and local tax (SALT) deduction for New Yorkers making up to $500,000. By FPI's estimates, the value of this extra tax break is just over $3,000 for a household earning $500,000. Households earning less than $300,000 are unlikely to benefit from the change at all. Few New Yorkers will believe that this tax benefit for well-off households was worth the chaos.

"New York State policymakers cannot sit by and allow millions of our fellow New Yorkers to lose access to healthcare, food, and critical social services. It is time for our state elected officials to start strategizing about how to replace lost revenue and prevent the worst effects of this federal budget. FPI will soon announce a briefing on these topics – stay tuned."

Links

a https://j7md6ffbb.cc.rs6.net/tn.jsp?f=0013mtsOEmGb38ABTII66fW7SfJ4JoOs2-vvMxWNuEsjGLWUQ2EX9eJVledylwDsl5T0d6u-d-vomvUrZXzRbsHB0Phw6rUe3F3dc1wwUHjgxqtLjhjp3k5NmQ_QHv0LLAYifsGf0Kb2gGlRpxll8b-fwvAYnl4bu23r_vOobxuKpnQNihGc6eMpxoRrXHYYFHxNK_scaW4WG37_7lJsqPGDheqV81e9jbWbGYeseFe6oGLexjbnhzHFmXOTlaoPGrq&c=E1hgpP5dkBjTCzmgmPhjMvCj6RemvYWXgoAt6ycrKkoWnRqm_NCbFg==&ch=l7FuYv9XkGl9xFJ-Ol7gT4dUoGODH2GXW_vmg8KF36oIoAyvxuEbgg==

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