

www.fiscalpolicy.org
www.abetterchoiceforny.org
www.strongforall.org

For Immediate Release:

January 30, 2013

Contacts:

Ron Deutsch, 518.469.6769

Frank Mauro, 518.786.3156

Michael Kink, 518.527.2787

Coalition and Lawmakers Call on Governor, Legislature to Close Corporate Tax Loopholes to Level Playing Field for Small Business and Restore Public Services

(Albany, N.Y.) A coalition of community, labor, faith, student and Occupy organizations are joining forces on a campaign to bring fairness and transparency to New York's corporate tax system, ending costly loopholes that cost taxpayers and businesses dearly.

The organizations -- who have successfully worked together on the "Millionaires Tax" and personal income tax reform -- are calling on Governor Cuomo and the Legislature to close a series of specific unfair corporate tax loopholes, raising nearly \$1 billion for this year's state budget and leveling the playing field between large out-of-state multinational corporations and New York based small and medium-sized businesses.

More revenue could help New York create jobs, create a fairer environment for small business, prevent more budget cuts to state and local public services and the social safety net and even allow for restorations of some past funding cuts.

The groups applauded Cuomo for beginning the work of closing corporate tax loopholes in his 2013-14 state budget proposal -- but insist that New York can and should do more.

Public Employees Federation President Susan M. Kent said, "The governor's proposed budget calls for a continued reduction in corporate taxes, while at the same time calls for a continued freeze on all state agency budgets. Where is the "shared sacrifice" in that? A fair budget would also freeze tax breaks for big businesses and close corporate tax loopholes so corporations pay their fair share of State revenue".

"For too long, corporations have exploited loopholes to avoid paying their fair share of taxes, and the result has been less revenue to support stronger public schools and colleges for all New York students," said **NYSUT Executive President Andrew Pallotta**. "It's time to correct this imbalance by demanding an end to loopholes that benefit big corporations at the expense of our schools and the property taxpayers who support them."

The coalition has long supported a proposal by Assemblyman James Brennan to strengthen the Alternate Minimum Tax in NYS that has been eroded over the past few decades.

"The corporate alternative minimum tax has dropped from 5% to 1.5% over the past twenty years. My office estimates that our bill to raise the corporate minimum tax back to 3.5% would yield \$300 million in revenues," stated **Assembly Member James Brennan**.

“New York’s Corporate Alternate minimum tax was established in 1987 to insure that large profitable corporations paid at least something in state income taxes,” said **Frank Mauro, Executive Director of the Fiscal Policy Institute**. “In 1994 the State began to add loopholes to the AMT, it is absolutely essential that the state restore the integrity of the safety net on the tax system.”

"New York now requires stringent standards for our education system. We have mandated evaluations of teacher performance and have had schools enter into Contracts for Excellence to supposedly increase their effectiveness and accountability. We must begin to apply the same litmus test to business subsidies in New York State. We cannot continue to give billions in state subsidies to highly profitable businesses that are not creating jobs and shipping jobs overseas. It simply makes no sense and is not a responsible use of taxpayer dollars," said **Assemblywomen Barbara Lifton**.

"Corporate tax loopholes are a microcosm of what is wrong with our economic and political systems. They reflect a process whereby corporations are able to translate economic wealth into political influence in order to carve out self-serving exceptions into the law, which in turn, allow them to accumulate even greater wealth and political influence. It is a profoundly undemocratic and troubling cycle that Occupy Albany opposes and is happy to join with allies to challenge," said **Colin J. Donnaruma of Occupy Albany**.

“The Governor’s budget begins to tackle some of the glaring holes in our state’s corporate tax structure and is a step in the right direction. We support the Governor in his quest to make the tax system fairer for everyone,” said **Ron Deutsch, Executive Director of New Yorkers for Fiscal Fairness**. “However, we firmly believe that many highly profitable companies have been avoiding taxation in New York State for far too long and it must end.”

“We can raise nearly a billion dollars simply by closing corporate loopholes that most New Yorkers would want closed – if they knew about them,” said **Michael Kink, Executive Director of the Strong Economy For All Coalition**. “This campaign will help the public understand how state laws give tax breaks to companies that outsource jobs, favor big business over small business, and let profitable corporations pay little or no taxes – and that now’s the time to make a change.”

"While big money corporate executives continue to take advantage of tax loopholes so they can fatten their wallets, our communities are left to suffer the consequences: cuts to classrooms, programs, and services we rely on every day," said **Mark Emanatian, Capital District Organizer for Citizen Action of New York**. "It's time to close these corporate tax loopholes and pass publicly financed Fair Elections so that our elected officials don't allow CEO campaign contributors to get away with these sweetheart deals ever again."

The Coalition is proposing specific reforms in a number of areas including:

- No Tax Subsidies for Companies that Outsource Jobs
- No Free Lunch for Big Multi-State & Multinational Corporations
- Tax Breaks for Creating Jobs — Not for Eliminating Them
- Press “Pause” on Tax Cuts and Impose Gap Elimination Adjustments for Corporate Tax Breaks
- Tax Fairness for Romney-Style Investors