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Wealthy New Yorkers Urge Governor Cuomo and Legislature to Enact 1% Plan for New York Tax Fairness

Group also Strongly Supports NYS Assembly Millionaires Tax

Albany, NY – Some of the wealthiest New Yorkers have sent an open letter to Governor Andrew Cuomo and the New York State Legislature urging passage of the “1% Plan for New York Tax Fairness” to replace the temporary ‘millionaires tax’ set to expire at the end of next year. The Fiscal Policy Institute’s 1% Plan calls for new tax rates ranging from 7.65% to 9.99% applied to new tax brackets starting at \$665,000, the income threshold for the top 1% of New Yorkers. The plan also calls for continuation of the lower rates now in place for lower and middle-income New Yorkers. The full text of the letter is included below.

The signers, including Steven C. Rockefeller, Leo Hindery, Jr., Abigail Disney, Agnes Gund, Dal Lamagna, Martin Rothenberg and Lewis B. Cullman, also support the similar “Millionaires Tax” advanced by the New York State Assembly in their one house budget resolution released last week.

The letter was organized jointly by the Fiscal Policy Institute and the Responsible Wealth project. The signers of the letter, many of whom are members of the Responsible Wealth project, are all New York residents in the top 1% of income in the state.

Businessman, philanthropist and author **Lewis Cullman** of New York City, who engineered the first LBO in 1964 and went on to own and develop At-a-Glance™ calendars, said, "Look, I've benefited from being in New York my whole life. I've built companies in a fertile business environment, and I've enjoyed the quality of life we have here. I have given most of my money away to charity. I'm very philanthropic, like a lot of my peers, but there are many important things that philanthropy just doesn't do, and can't do - like pave our streets, build airports, inspect our food, and educate all our children, just to name a few. Those of us in the top 1% of incomes have a particular responsibility to contribute to the public sector at a higher marginal tax rate than everyone else."

Leo Hindery, Jr., managing partner of InterMedia Partners, a New York-based media industry private equity fund, said, "As a businessman and philanthropist and as a citizen of New York State, I believe we need to invest in our people and our infrastructure. The 1% Tax Plan makes it possible to make these investments, and simply asks people like me to continue to pay a higher tax rate, as we should. The Assembly's one house resolution passed last week accomplishes this same goal, but with an even higher threshold. I enthusiastically support either plan."

David A. Levine of Manhattan, former chief economist for AllianceBernstein (at that time called Sanford C. Bernstein & Co.), stated, "In the last thirty-five years, there's been an enormous widening in pre-tax income. The fact that public policy has contributed to widening the gap is shameful. New York State had the good sense in 2009 and again in 2011 to create a higher tax rate for those of us in the top income brackets. The 1% Plan strengthens the progressivity of New York's tax structure, which is both good and necessary. We are overdue for investments in New York's future, and we should not make those investments on the backs of middle class and working families."

Lindsay Shea is a philanthropist, and with her husband, Brian, owns Tydeman Farm in Germantown, New York. Ms. Shea said, "I'm grateful to live in a state with a strong public sector that provides good public schools, excellent public transportation, infrastructure, and a healthy economy that provides jobs for our family, our children, and people in our community. If we want a good functioning government at all levels, we need to pay for it. If your income is \$16,000 a year, or \$50,000 a year, or even \$100,000 a year, pretty much every dollar of your income goes back out the door in living expenses. People like my husband and me in the top 1% have more disposable income and must have a higher tax rate than everyone else. We wholeheartedly support the '1% Plan for New York Tax Fairness.'"

Responsible Wealth project director **Mike Lapham** said, "Responsible Wealth members understand that, to remain economically competitive, New York State must invest in education and infrastructure. They are willing to pay taxes at a higher rate to secure those investments. Our members lobbied for the original millionaires tax in 2009 and the extension in 2011. If the millionaires tax were to expire, the top 1% would get a \$3.7 billion *annual tax windfall*, which would put New York State back in the predicament it faced in 2009. These signers are willing to continue to pay a higher rate to preserve the quality of life and economic strength of New York State."

"It is refreshing to see that many wealthy New Yorkers are more than willing to expand and make permanent the temporary top income tax rates set to expire at the end of next year. They are willing to step up and support higher taxes on themselves so that we can fund our glaring human and physical infrastructure needs. FPI's 1% Tax Fairness Plan and the Assembly's true "millionaires tax" have support and appeal from the very people who would be impacted by them, and according to these nearly 50 signers, they can more than afford an increase in the top marginal rates," said **Ron Deutsch**, executive director of the **Fiscal Policy Institute**.

Link to 1% Plan: <http://bit.ly/1RYyPT5>

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Wealthy New Yorkers Support Progressive Taxation

Dear Governor Cuomo and Legislative Leaders,

We are upper- income New Yorkers who treasure the quality of life in our state. However, we are deeply concerned that too many New Yorkers are struggling economically, and the state's ailing infrastructure is in desperate need of attention. We cannot afford to ignore these challenges.

As business leaders and investors, we know that the long-term stability and growth of a company requires **investments in both its human capital and physical infrastructure.** The same is true for our state.

It is a shameful fact that **child poverty** in New York State is at a record level, exceeding 50 percent in some of our urban centers. New York State has a **record number of homeless families** – more than 80,000 people – struggling to survive across the state. And far too many adults in our state do not have the **work skills** needed for the 21st century economy.

Now is the time to invest in the long-term economic viability of New York. We need to invest in pathways out of poverty and up the economic ladder for all of our fellow citizens, including strong public education from pre-K to college. And, we need to invest in the fragile bridges, tunnels, waterlines, public buildings, and roads that we all depend on. These human and physical infrastructure investments will pay off in the creation of new jobs, a workforce prepared to fill them, and a reduction in the extreme income inequality that currently exists in our state.

The question is: **how do we pay for those investments?** In the spirit of shared sacrifice, we, the undersigned, call for a balanced solution that includes maintaining, expanding, and making permanent the top marginal income tax rates for upper-income New Yorkers like us who can afford to pay more. **Specifically, we urge the Governor and the Legislature to implement the “1% Plan for New York Tax Fairness”,** which calls for **new marginal rates** of 7.65%, 8.82%, 9.35%, 9.65% and 9.99% for brackets starting at \$665,000 (the top 1% of earners in our state), \$1 million, \$2 million, \$10 million and \$100 million, respectively.

We also urge our elected leaders to **make permanent the lower tax rates for working families,** ranging from 4% to 6.85%, before they expire next year. If the temporary tax rates at all levels are allowed to expire, it will mean a \$1 billion dollar tax *increase* for middle class families and a \$3.7 billion dollar windfall tax *cut* for millionaires like us.

As New Yorkers who have contributed to and benefited from the economic vibrancy of our state, **we have both the ability and the responsibility to pay our fair share. We can well afford to pay our current taxes, and we can afford to pay even more.** Our state needs to invest this revenue in our struggling schools, in anti-poverty measures and in infrastructure improvements. **Our state's long- term economic prosperity depends on strong investments in our people and our communities.**

Everyone does better when everyone does better. **We urge Governor Cuomo and the New York State Legislature to expand the current “Millionaires Tax”** and ensure that upper-income New Yorkers like us keep doing their part to invest in our state.

Signed,

Sonia Alexander, NYC * Elyse Arnow-Brill, Joshua Arnow, Pound Ridge * Roy Berberich, Mineola * Polly Cleveland and Thomas Haines, NYC * Arthur Cornfield, NYC * Louis B. Cullman and Louise Hirshfeld Cullman, NYC * Pierce Delahunt, NYC * Anne Delaney, NYC * Abigail Disney, NYC * Barbara Fleischman, NYC * Sarah Frank, NYC * Rosemary Faulkner, NYC * Elspeth Gilmore, NYC * Steven and Mary Goldring, NYC * Agnes Gund, NYC * Catherine Gund, NYC * Leo Hindery Jr., NYC * Polly Howell & Eric Werthman, Glenford * Marion Hunt, NYC * Craig Kaplan & Anne Hess, NYC * Dal LaMagna, NYC * Ruth and David A. Levine, NYC * Michael A. and Ann Ross Loeb, NYC * Joshua Mailman, NYC * James and Jacqueline Mann, Mt Kisco, NYC * Mark Nelkin, NYC * Jan Nicholson, NYC * Susan Ochshorn and Marc I. Gross, NYC * Richard Perl, NYC * Seth Perlman, NYC * Karen Pittelman, NYC * Mark Reed, NYC * Steven C. Rockefeller, NYC * Darius A. Ross, NYC * Martin Rothenburg, Syracuse * Lindsay Shea, Germantown * Daniel A. Simon, NYC * Lynn Stern, NYC * Jessie Spector, NYC * Sarah Stranahan, NYC * Peter Strugatz, East Hampton

The Fiscal Policy Institute (www.fiscalpolicy.org) is an independent, nonpartisan, nonprofit research and education organization committed to improving policies and practices to better the economic and social conditions of all New Yorkers. Founded in 1991, FPI works to create a strong economy in which prosperity is broadly shared.

Responsible Wealth is a project of United for a Fair Economy (UFE). UFE engages in state and federal policy debates, provides trainings and support for economic justice organizers across the nation, and publishes illuminating reports. United for a Fair Economy is a national, independent, nonpartisan, 501(c)(3) nonprofit organization.