

THE STATE BUDGET PUTS THE SQUEEZE ON THE MIDDLE CLASS!

Wealthy New Yorkers and Big Corporations Do Not Pay Their Fair Share of State and Local Taxes — But Middle Class Taxpayers Do.

Let's Make The People Whose Greed and Recklessness Caused Our Fiscal Crisis Pay Their Fair Share of the Cost To Clean It Up!



Increase the Top Income Tax Rate on New Yorkers Making More Than \$250,000 a Year!

Stop Sweetheart Deals With High Priced Consultants!

Close Corporate Welfare Loopholes!

Use the \$1 billion Rainy Day Fund!

Urge Congress to Enact Financial Assistance to the States Now!!!

PEF SUPPORTS A FAIRER SOLUTION TO CLOSING OUR BUDGET DEFICITS

WEALTHY NEW YORK FAMILIES ARE NOT OVERTAXED!

- FACT** According to the Institute on Taxation and Economic Policy New York families that make over \$634,000 a year pay just 6% of their income in state and local taxes while the rest of us pay twice that.
- FACT** Over the last two decades New York has cut the top personal income tax (PIT) rate in half, leading to an estimated annual loss of \$8 billion-more than half of our current budget gap.
- FACT** Over 100 economists from around the state urged the Governor to adopt a balanced approach to closing the state deficit. They suggest an income tax increase on the wealthiest would be less harmful to the state's economy than massive cuts to state spending. They believe we need to keep as much money in the local economy as possible in order to effectively get out of this recession and close the budget gap. In the past, Joseph Stiglitz, 2001 recipient of the Nobel Memorial Prize in Economics and a current advisor to the Governor has advocated the same policy.
- FACT** Poll after poll clearly indicates that the public overwhelmingly supports restoring progressivity to the Personal Income Tax by increasing the top tax rates on the wealthy.
- FACT** In SFY 2007-08 the state spent \$2.78 billion on consultants and paid them an average annual rate of \$126,503. Consultants charge 54% more than state employees who do the same work including the cost of state employee benefits. Consultant spending for the first half of this year is at the same rate as last year. The state should reduce the use of these high priced consultants before any state worker loses their job or pay.

THERE'S A BETTER CHOICE!

- Make New York's tax system fairer and more equitable by increasing the top marginal tax rates on the highest income households and cutting the taxes for working families – reduces working families' tax burden by \$2 to \$7.7 billion depending on the plan adopted.
- Stop sweetheart deals with high-priced consultants who are being overpaid to do jobs that state workers can do better and cheaper – savings \$730 million over three years.
- It is urgent that Congress pass financial assistance to the states no later than the end of February and that New York get at least \$5 billion in such assistance.
- The over \$1 billion in the Tax Stabilization Reserve Fund should be used to reduce the SFY 2008-09 budget gap; if this isn't a rainy day when will one ever occur?
- Support the Governor's proposals to reform the Empire Zones program and expand the bottle bill and require that unclaimed deposits be transferred to the state.



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