

# ***Tax Cuts for the Wealthy While We Cut Jobs and Services for the Elderly, Sick, and Children... Is that really the best we can do?***

## **New York is better than that Let's make choices that we can be proud of**

### **The Proposal:**

*The Executive Budget lays off 9,800 state employees and cuts services to those who need it most. The jobs of middle class nurses, bridge inspectors, cancer researchers, and parole officers could all be at risk. All the while, the budget provides a massive tax cut for the wealthiest 3 percent.*

### **The Problem:**

*The Governor's plan is fiscally irrational. Instead of providing a balance of cuts and revenue, it guts middle class workers and the services they provide, and throws billions of dollars out the window to give a tax break to those who need it least.*

### **The Solution:**

*New York's workers are ready to be part of the solution, but can't bear the entire burden. The budget must include revenue including an extension of the income tax surcharge, cutting corporate welfare, and eliminating public authorities.*

### ***While many New Yorkers struggle, others are doing well***

- In New York State, the people in the top 1 percent get 35 percent of all income and in New York City the top 1 percent get a whopping 45 percent of income. While most New Yorkers struggle to make ends meet, the rich continue to get richer. The wealthy in the top 1 percent have an income over \$633,000 per year, but pay far less in state and local taxes as a percentage of income than middle class taxpayers.

### ***State employee layoffs will hinder vital services and hurt the economy***

- Layoffs of state and local government workers are also private sector job-killers. Public employees shop in local stores, use local businesses, and contribute to charities and not-for-profits. The elimination of public employee jobs takes money out of the economy.

- The state workforce has already been cut — a lot! Since 1990 the state workforce has declined by 34,000 positions. The workforce under Executive control has been reduced by more than 11,000 positions just since 2008. In January, 900 workers were laid off.
- Our state needs jobs for both private and public sector workers. How does laying off workers create jobs?

## BUDGET SOLUTIONS WE CAN BE PROUD OF ... BETTER WAYS TO CUT COSTS AND CREATE JOBS

**Urge the Governor to enter negotiations in good faith,** and to stop threatening the jobs of workers. The workers did not cause this budget deficit.

**Stop the tax cuts for the wealthy.** The temporary increase in tax rates for high income taxpayers that was adopted in 2009 is due to expire at the end of 2011. This will decrease revenue by \$1 billion this fiscal year and \$5 billion next year. The increased tax rate should be made permanent or at least extended until the economy recovers. *This will add revenue of \$1 billion this year and \$5 billion next year.*

**Cut consultant use by state agencies.** Multiple studies have shown that the state could save money by doing certain types of work with its own workers instead of using costly consultants. The Executive Budget itself says that recent information technology insourcing has resulted in savings of \$25,000 to \$50,000 per position. *Cost savings \$280 million annually.*

**Reduce overtime.** Reduce state worker overtime by 60 percent through better management and hiring entry level workers. *Cost savings \$34 million annually.*

**Allow wine sales in grocery stores.** New revenue *\$93 million.*

**Cut corporate welfare.** Special tax breaks allow big corporations and real estate developers to avoid paying their fair share of taxes. For example the Brownfield's clean up tax credit program has given millions of dollars of tax credits to real estate developers to build luxury hotels and apartments on sites that cost very little to clean up. In one case their tax credits were two hundred and fifty times their cost of cleanup; overall the state is paying nearly \$5 in tax credits for every \$1 spent on environmental cleanup. The Comptroller estimates NY could spend \$3 billion on this loophole ridden program. In times like these, shouldn't these loopholes be on the table too? Cost savings *\$1.3 billion annually* if corporate tax breaks are reduced to fiscal year 2000 spending levels.

**Cut public authorities.** The Governor's budget ignores the place where billions of public dollars are spent with little accountability - public authorities reported expenditures last year of \$44 billion! By eliminating authorities or combining them with state agencies, a 10 percent reduction in costs would save *\$4.4 billion annually.*

**Workplace injury reduction.** A comprehensive initiative to reduce state worker injuries by 20 percent could save *\$45 million annually.*

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**Total cost savings and added  
revenue above: \$7.152 billion!**



**New York State Public Employees Federation, AFL-CIO**  
REPRESENTING 56,000 PROFESSIONAL, SCIENTIFIC AND TECHNICAL EMPLOYEES

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