

Letter-writers sound off about Gov. Andrew Cuomo's proposed New York state budget

Published: Monday, March 28, 2011, 5:00 AM



Rich, too, must truly share in sacrifice over budget

To the Editor:

Gov. Andrew Cuomo and almost all the Republicans in the state Senate say the same thing: “In a time of budget crisis, everyone must share in the sacrifice.”

Oh, there will be sacrifice. Local schools and higher education will suffer as teachers are laid off and class size increases. Public employees will suffer as their jobs are cut and wages and benefits are attacked. Health care services will be reduced for those who need them most. Parks will close. Job training axed. Child care and social services reduced or eliminated.

But, both the governor and the Senate have carved out a singular exception to the “all must share the burden” doctrine: the rich. Neither wants to extend the “millionaires’ tax” and are therefore willing to forego almost a \$5 billion source of revenue with a \$10 billion deficit.

There are several arguments they make to defend this sacrosanct group:

- 1) The rich will leave the state if we extend the millionaires’ tax. But, this is not true. A Princeton study recently revealed that states could raise substantial sums and reduce the income inequality gap by raising taxes on the wealthy without any fear of citizen migration.
- 2) The rich already pay more taxes than anyone else. That may be true in monetary terms, but not as a percentage of income. The Institute on Taxation and Economic Policy found that those earning more than \$633,000 paid a lower percentage of taxes on sales, property and income than those earning less — including those with incomes under \$16,000. Not

only are the wealthy paying less overall, they were just handed another tax reduction by the extension of the Bush tax cuts.

3) Businesses will leave New York if we don't cut taxes. Not true. Although business does look for tax incentives, the tax rate ranks No. 6 on the list of considerations used to plan a change of address, according to Area Development, a magazine that specializes in corporate site selection and relocation, which also listed highway accessibility the No. 1 concern.

4) We promised no new taxes. The fact is that this is hardly a new tax or concept. By extending the millionaires' tax, the Senate would simply be reauthorizing it.

Warren Fretwell
Syracuse